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ECONOMIC REPORT OF THE GOVERNOR



1997

SUBMITTED BY
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*This report is based on
information available as of
May 1, 1997*



I. INTRODUCTION

In California, 1996 was a year of robust economic growth that saw the state fully recover from the deep recession of the early 1990s. Cuts in federal defense spending—the source of three-quarters of downturn's job losses—are continuing, but vigorous new industries are now powering the state's growth.

Milestones of Economic Growth. In 1997, California's economy will reach and surpass several important milestones:

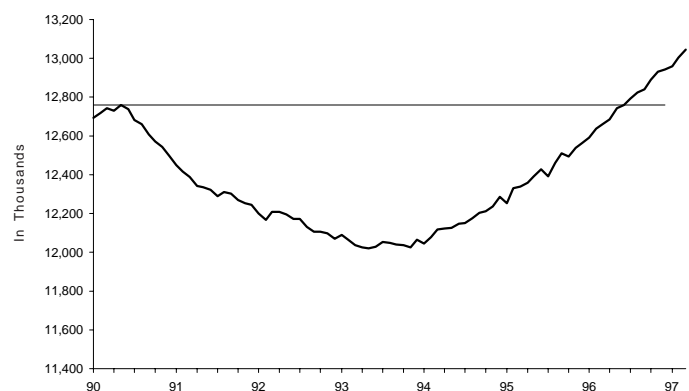
- ◆ Gross state product—the value of all goods and services produced in California—will surpass \$1 trillion in 1997, the first time any single state has reached this level of economic output. To put a one-trillion dollar economy in context, the entire output of the South American continent is about \$1 trillion. As a separate nation, California's economy would rank as the seventh largest in the world.
- ◆ In February of this year, the number of nonfarm payroll jobs in California passed the 13 million mark for the first time.
- ◆ By March, the state's economy had created one million jobs since the recession's low point in mid-1993—an average of more than one-quarter million new jobs each year.
- ◆ In 1997 alone, California is on course to create 380,000 new jobs, the most since 1988.

The remarkable characteristic of this recovery is the extent to which California's economy has once again reinvented itself. The state has a long history and tradition of passing the baton of economic leadership from one industry to another: mining to agriculture in the second half of the 19th century; agriculture to motion pictures in the early years of the 20th century, the emergence of aircraft (later to become aerospace) in the 1930s; the blossoming of the electronics industry in the 1970s.

Leadership has now passed to a group of information-based industries, in many ways closely related to the state's existing industrial base, but in other respects, entirely new. This information technology sector is still defining itself. Indeed, its main characteristic is rapid

FIGURE I-1

California Nonfarm Employment



INTRODUCTION

change and innovation, and it may well defy efforts of economists, statisticians and other spectators to place it (or them) in one pigeon-hole or another.

These new industries find applications and uses in the business world, in entertainment, and in the home. They draw together the creative skills of the world's largest entertainment center; the technology of the world's leading electronics hub; and the new designers of the World Wide Web, networking hardware and software, and wireless communications.

California is the leader in most of these new industries, and a significant player in each. In addition to the state's unique industrial mix, California also benefits from its geographic location, facing the rapidly expanding economies of Asia and the Pacific and touching the emerging economies of Latin America. Although the growth in trade volumes slowed somewhat in 1996, California continued to outpace the nationwide increase in international volume, and the Los Angeles Customs District was once again the national leader in merchandise trade.

Arguably, California's economy is better positioned for the new century than any other on earth, in terms of both industry mix and geography. Accompanying the growth in emerging industries, California is also seeing a solid turnaround in most of its traditional sectors. For example, in 1996, California manufacturing added almost 60,000 jobs, while factory employment in the rest of nation fell by 250,000.

The near-term outlook for California reflects these strengths. Having created more than 350,000 new jobs in 1996, the state is set to add a further 380,000 in 1997. The new year got off to a very solid start, with employment rising at an annual rate of 400,000 jobs in the first quarter, while the unemployment rate dropped by a half percentage point.

FIGURE I-2

Employment Change in Key California Industries, 1990 to 1996

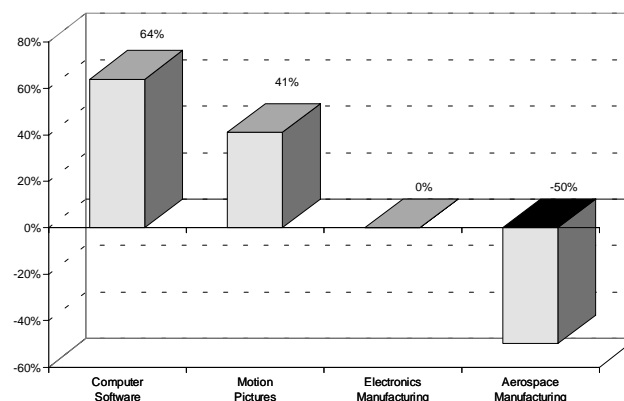
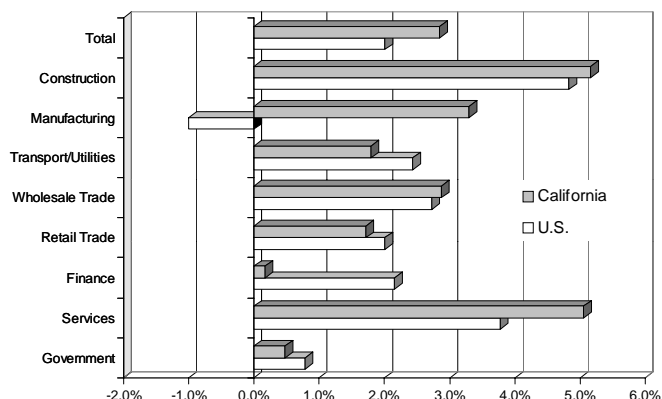


FIGURE I-3

Change in Nonfarm Employment by Industry
California and U.S., 1995-1996



To some extent, California's gains mirror the rapid pace of U.S. economic growth, which averaged 4 percent growth in real gross domestic product (GDP) for the year ending the first quarter of 1997. But California's growth is even outpacing these strong nationwide gains. California's first quarter job growth of 3 percent on a year-to-basis far outdistanced the nation's 2.2-percent pace.

Inevitably, rapid U.S. economic growth will be met by higher interest rates, reflecting investor and policy-maker concerns over potential inflation. As a result, U.S. economic growth can be expected to slow considerably next year—from a nearly 3.5 percent advance in real GDP for all of 1997, to less than 2 percent in 1998.

California will not be entirely immune to the U.S. slowdown. For example, the strong dollar—a very noticeable

side effect of rapid economic growth and rising interest rates—boosts the price of California-made goods in terms of the Japanese yen or German mark, making difficult a rapid expansion of exports. Rising interest rates will also dampen the state's budding homebuilding recovery.

Despite these external impediments, California should add another 300,000 new jobs in 1998. Personal income growth, pegged at 6.8 percent this year, should still exceed 6 percent in 1998. With inflation remaining below the national average, real incomes will rise by 4.5 percent this year and nearly 4 percent in 1998.

The state's jobless rate, which at the bottom of the recession in 1993 was 2.5 percentage points above the national average, is expected to fall to 6 percent by the end of this year, and could well approach the national figure in 1998.

The remainder of this *Report* takes a closer look at the California economy, including some of the external factors affecting the state. Chapter II provides an overview of U.S. and international conditions. Chapters III and IV provide a detailed look at the California economy and its major non-resource industries. The resource industries, including agriculture, mining, and energy, are covered in Chapter VI.

A homebuilding recovery has been the missing piece in this economic upswing in California. Chapter V examines some of the forces affecting the housing sector—prices, migration, and demographics, all of which seem to be playing a role in the current housing industry situation.

Finally, the national discussion in Chapter II includes a section on some of the problems of economic measurement being posed by the new information economy. The bias in the consumer price index (CPI), highlighted by a U.S. Senate Commission last December, represents one part of a growing problem in accurately measuring this emerging service-technology economy.

Services, including such familiar California items as computer software, the Internet, the entertainment industry, and multimedia comprise a large and rapidly-growing blind spot in the nation's economic statistics. The lack of information about and understanding of these new industries contributes to an inaccurate and incomplete view of the nation's economy. Economic growth and labor productivity are underestimated. With poor or distorted information, economic policy errors are more likely. According to the Senate Commission, the CPI bias contributes directly to the federal budget deficit, by over-indexing benefit payments, income tax brackets, and deductions.

II. THE NATIONAL BACKDROP

The U.S. economic growth strengthened noticeably in late 1996 and early 1997. Measured in constant 1992 dollars, gross domestic product (real GDP) totaled \$6.91 trillion last year, an increase of 2.4 percent from 1995, when growth amounted to 2 percent. However, growth in the fourth quarter was measured at a 3.8-percent annual rate, and the pace quickened further to a 5.6 percent rate in the opening months of 1997.

Inflation remained subdued, with the new chain-weighted price index up 2.1 percent last year, compared to a 2.5-percent increase in 1995. Before adjusting for inflation, GDP totaled \$7.58 trillion, a 4.4-percent gain over 1995.

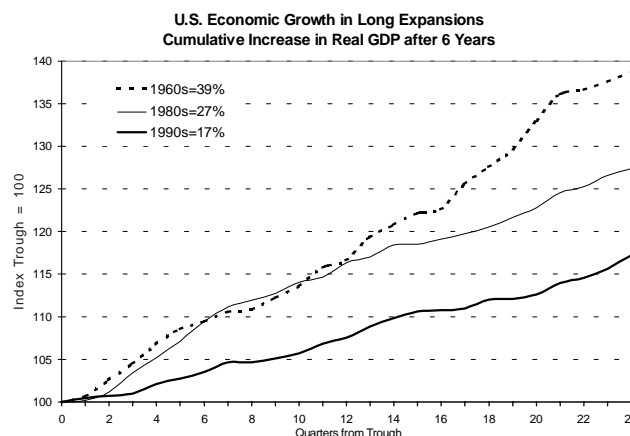
As the current economic upswing begins its seventh year, it is difficult to find evidence of the imbalances and excesses that normally attend an aging business cycle. There are a few worries, including a high level of household debt (which appears to be leveling off), an "exuberant" stock market, and a few signs of emerging upward pressure on wages, which thus far have been more than offset by the continuing moderation in employee benefit costs.

The recent upsurge notwithstanding, the current expansion owes much of its health and longevity to its leisurely pace. Through the first six years of this cycle, cumulative growth in real GDP has amounted to just over 17 percent, about half the average for similar periods of the previous two long expansions which occurred in the 1960s and 1980s.

The slow pace of growth has reduced the temptation to embark on overly ambitious capital spending plans. Although business fixed investment has been the fastest growing major segment of the economy during this upswing, most of the growth is concentrated in shorter-lived computers and office equipment, with the result that net investment (after subtracting depreciation) actually represents a smaller proportion of output now than in either of the two previous long cycles. Missing from the current scene is any semblance of a boom in construction of offices, shopping centers, hotels or manufacturing plant.

Figures II-2 and II-3 summarize growth in the major components of real GDP last year. Nonresidential investment grew 7.4 percent in 1996, including an 8.3-percent advance in equipment spending and a 4.9-percent increase

FIGURE II-1

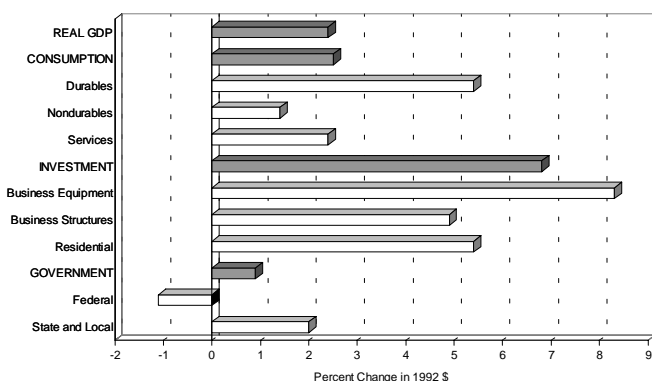


NATIONAL BACKDROP

in buildings. Last year's gain in business investment was somewhat less than 1995's 9.5-percent rate of growth. Residential investment (home building) grew 5.3 percent, after declining by 2.3 percent in 1995.

FIGURE II-2

Percent Growth in 1996 Real GDP and Its Major Components



Consumer spending, which accounts for two-thirds of GDP, increased by 2.5 percent, in line with the economy's overall growth rate. Spending on durable goods such as cars, furniture, and home electronics, advanced 5.4 percent, while nondurable outlays (food, clothing, motor fuel) increased only 1.4 percent. Services consumption—mainly housing, medical care, and transportation—grew 2.7 percent.

Government purchases increased only 0.8 percent, reflecting a continued decline in federal outlays—down 1.1 percent due entirely to the ongoing retreat in defense spending—offset by a 2-percent increase in state and local expenditures. These GDP-based government spending figures exclude transfer payments such as Social Security, welfare, and unemployment benefits.

The volatile elements of GDP—foreign trade and inventory accumulation—both subtracted from growth last year. Real imports and exports each grew at similar 6.5 percent rates, but net exports reduced real growth by \$6.4 billion of 1992 dollars (because imports are the larger number). Inventories grew by \$14.0 billion, but this was \$19.1 billion less than 1995's figure, again measured in constant 1992 dollars.

Of particular importance for California is the relatively rapid growth in business equipment and consumer durable goods spending. Gains in both of these categories are heavily influenced by purchases of high-technology goods—office and home equipment such as personal computers and workstations—which are specialties of the state's economy.

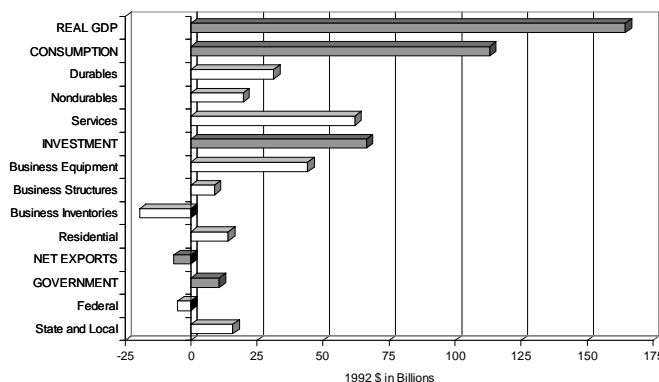
The quarterly pattern of growth remained relatively uneven, although there were unmistakable signs of strengthening in the second half of 1996 and early 1997. Over the six months that ended in March 1997, real GDP growth averaged 3.5 percent at an annual rate, well above the assumed long-run potential of 2 to 2.5 percent.

Signals from the labor market seem to confirm that the economy is running close to its noninflationary capacity. The unemployment rate has been at or below 5.5 percent since February 1996, after ranging from 5.5 to 5.7 percent throughout 1995. In April, the jobless figure fell to 4.9 percent, the lowest in 24 years. Capacity utilization at the nation's factories, mines, and utilities has inched above 84 percent, just shy of the level at which scattered bottlenecks and shortages have appeared in past cycles.

Inflation in Check. Despite the low jobless rate, labor cost increases

FIGURE II-3

Contribution to 1996 Real GDP Growth

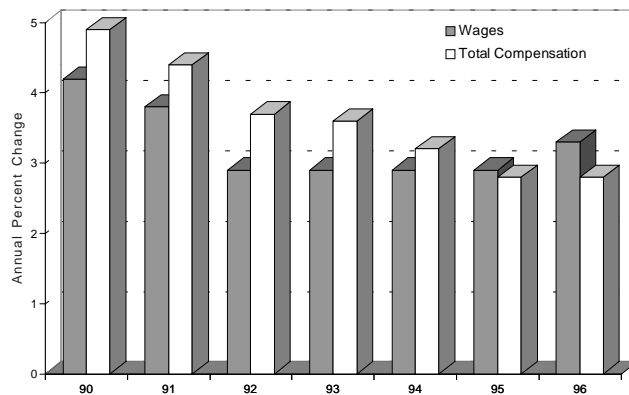


remain quite modest. The closely watched employment cost index, which measures both wages and benefits and adjusts for overtime and changes in industry mix, has been rising by less than 3 percent annually for the last three years. The index does show a modest but steady escalation of wage costs, which have averaged over 3 percent for the last year and a half and registered a

3.6 percent annual rate in 1997's first quarter.

FIGURE II-4

Employment Cost Index



continuing to rise at a very modest rate of well under 3 percent annually.

In manufacturing, the increases in wages and benefits continue to be matched by gains in labor productivity (output per hour of work) with the result that unit labor costs remain flat to slightly down. With a few notable exceptions—grains and, until early 1997, petroleum—commodity prices have been generally weak. Most broad industrial commodity price indexes were registering year-over-year declines in early 1997. Moreover, the stronger dollar, which makes imported goods less expensive in the U.S., is placing competitive pressures on goods prices. Flat labor costs, declining commodity prices, and intense foreign competition are combining to severely limit any increase in goods inflation. Non-energy goods prices rose only 1.4 percent last year, based on the consumer price index (CPI).

In service sectors, the picture is less clear. Official statistics imply declining labor productivity in nonmanufacturing industries—a notion that few analysts accept. Still, services are generally less likely to be traded among nations (motion pictures and computer software are two very important exceptions in California), thus the stronger dollar does not provide the same competitive discipline found in the factory sector. Even so, services prices moderated in 1996, up only 2.6 percent based on the GDP deflator for consumer services. Consumer prices for nonenergy services increased 3 percent. Both gains were the smallest of this decade.

The Fed's Dilemma. This rare combination of low inflation and strengthening economic growth has proved a dilemma for monetary policy makers. Throughout much of 1996, the Federal Reserve stood on the sidelines, having completed a modest three-step easing of monetary policy in January of last year when the overnight interbank federal funds rate was cut a quarter percent to 5.25 percent.

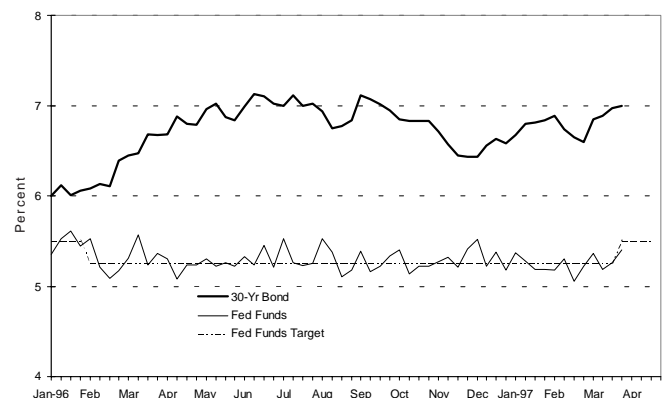
When second quarter 1996 GDP growth registered a strong 4.7-percent rate of advance, many observers judged the

Benefit costs, meanwhile, continue to rise at a very modest 2-percent pace. There are concerns—but to date no hard evidence—that medical insurance costs may start to pick up this year. With 80 percent of covered workers nationwide having moved into managed-care plans, this one-time shift to lower-cost coverage has nearly run its course. Nonetheless benefit costs rose only 0.2 percent—less than 1 percent annualized—in this year's first quarter.

Thus, total compensation costs are

FIGURE II-5

Short- and Long-Term Interest Rates



January rate cut unnecessary. The Fed stood pat, however, arguing that the economy would slow over the ensuing months. Following a modest 2.1-percent rise during the summer, year-end growth again surged at a 3.8-percent pace, and by March it was increasingly clear that there would be little if any slowing in first quarter GDP. On March 25, the central bank boosted the Funds rate by a quarter point, to 5.5 percent.

The March hike was prompted by economic growth which had remained above the policy-makers' estimate of the economy's long-run potential. Despite the above-trend growth, as noted, there is still little evidence of rising inflation. In the Fed's own words, the increase was "preemptive"—an insurance policy against the *possibility* of higher inflation in the future. The problem is that monetary policy, which may have a fairly rapid impact on demand and output, affects prices only with a lag of up to a year or more. Thus, if the central bank is to succeed in its main role of preserving the value of the nation's money, it must, perforce, act *before* inflation is seen in the monthly or quarterly economic numbers.

Is It Different This Time? The pattern of this economic expansion, with inflation actually declining as the cycle ages, runs counter to virtually all experience of the post-World War II era. As a result, many observers—including, at times, the Federal Reserve itself—have raised the possibility that the structure of the economy has changed so significantly that (1) inflation is not the danger it has been in the past and (2) the business cycle has been significantly tamed, if not put to rest altogether.

There is controversy over the very basis for the present-day concern over potential inflation—the notion of a "natural" or "full employment" rate of unemployment, also known as the "non-accelerating-inflation rate of unemployment" or NAIRU. There is little agreement among economists over whether there exists any systematic tradeoff between unemployment and inflation. There seems to be some agreement that there may be a short-term tradeoff, but in the long run, many believe that inflation and unemployment are essentially independent of one another.

Even if some tradeoff is accepted, historically there has been a great deal of difficulty estimating the NAIRU number. When the concept was first applied in the late 1950s and early 1960s, "full employment" was believed to be defined at 4 percent unemployment, and this unrealistically low number later served as a rationale for the inflationary "guns and butter" policies of the late 1960s.

Belatedly, it was recognized that demographic shifts—the maturing of the baby boom and the movement of women into the workforce—had the effect of lifting the accepted definition of NAIRU, first to 5 percent in the early 1970s and later—with great difficulty—to 5.9 percent in 1975, by which time the actual NAIRU was closer to 7 percent (this calibrated with the benefit of hindsight).

Given this record, who is to say that the current NAIRU estimate of 5.5 to 6 percent isn't too high? With unemployment consistently below 5.5 percent and still only tentative evidence of wage escalation, it seems likely that the current consensus is too pessimistic, but no one knows by how much.

Some observers, notably Fed Chairman Alan Greenspan, speculate that a variety of special factors, including concerns over job security, foreign competition, and the one-time shift to managed health care, have combined

FIGURE II-6

**Consumer Price Indexes for 1996
(1982-84 = 100)**

	U.S.		San Francisco		Los Angeles	
	Annual Index	Percent Change	Annual Index	Percent Change	Annual Index	Percent Change
All items	156.9	3.0%	155.1	2.3%	157.5	1.9%
Food	153.3	3.3%	155.7	2.4%	156.0	2.9%
Food away from home	152.7	2.5%	150.2	2.0%	146.2	1.8%
Residential rent	162.0	2.7%	174.5	2.6%	157.3	1.0%
Homeowners' costs	176.5	3.2%	185.9	2.7%	173.4	1.3%
Fuel and other utilities	127.5	3.1%	142.8	-3.6%	149.1	-0.1%
Apparel and upkeep	131.7	-0.2%	116.9	2.5%	126.0	-0.6%
Transportation	143.0	2.8%	133.5	3.5%	144.3	1.4%
Medical care	228.2	3.5%	214.5	2.6%	228.9	3.2%
Entertainment	159.1	3.4%	166.8	0.4%	145.8	3.2%
Other goods and services	215.4	4.1%	227.8	3.3%	232.8	3.2%
Special indexes:						
Goods	139.9	2.6%	138.1	2.1%	140.2	2.1%
Services	174.1	3.2%	169.6	2.4%	172.9	1.7%
Energy	110.1	4.7%	122.3	-2.6%	118.2	-0.5%
All items excl. medical care	152.8	2.8%	152.3	2.3%	153.6	1.7%
All items excl. shelter costs	152.8	2.8%	150.2	1.9%	155.9	2.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics

to temporarily alter the relationship between NAIRU and compensation costs. However, the temporary or one-time nature of these changes does not portend a fundamental shift in the economy.

Another theory, publicized by *Business Week*, highlights the role of high technology in the current expansion. They posit that outsized wage hikes are mainly confined to the booming (and mainly California-based) electronics, multimedia, and software sectors, where prices are falling despite exploding compensation costs. As a result, the booming sectors are not adding to inflation as a runaway construction or auto boom might have done in the past.

By *Business Week's* reckoning, information technology industries (goods and services) accounted for more than one-quarter of the U.S. economy's growth over the last three years, and fully one-third of economic growth in 1996. Arithmetically, outsized growth in falling-price industries reduces economy-wide measures of inflation.

Moreover, since many of these high-technology items are capital equipment, steeply falling prices provide strong incentives for business to substitute capital for labor, thus helping to contain labor costs outside the technology sector. This kind of shift does imply a more basic change in the relationship between labor markets and inflation.

Finally, there is the problem of inaccurate economic measurement (see "Faulty Gauges" following). If, as seems likely, real growth is being underestimated by a percentage point per year, then productivity gains—which serve to offset compensation increases—must also be higher than now estimated. This would help explain why inflation has remained so tame, even as the jobless rate falls to near 25-year lows.

Unfortunately, theories purporting to explain the end of inflation and the business cycle also cropped up during the long expansions of the 1960s and 1980s. There is also the less pleasant possibility that the little has changed, and that the Fed has again waited too long to "take away the punch bowl", the party having already become too lively. If so, the recent surge in economic growth will not be contained by a few quarter-point hikes in overnight interest rates. Instead, the Fed would eventually need to slam on the brakes, leading to a major slowdown or worse by late next year or early 1999.

OUTLOOK: GLIDING IN

The most likely outcome, however, remains the "soft landing"—an easing of growth without a reversal. Recent real GDP growth in the 3.5 to 5.5 percent range is not sustainable, but part of the recent surge was of a one-time nature, and it is reasonable to expect a moderation of growth to around 2 percent or less later this year and in 1998. Inflation is likely to remain quite low this year, but could inch up by a few tenths of a percentage point in 1998. Short-term interest rates will probably gradually increase to a little more than 6 percent by late this year or early 1998. There are several reasons for this relatively sanguine assessment:

- ◆ Long-term interest rates, which carry more weight in the economy than short-term borrowing costs, have already risen more than a half percentage point since last fall. However, the effects of higher rates will not be visible until late spring or early summer.
- ◆ The strong dollar will lead to a further widening of the trade gap, directly subtracting from real GDP growth. U.S. goods are now 15 percent more expensive in Europe and Japan than they were last year, while imports from these countries now cost less in this country.

- ◆ The strong dollar will also provide a measure of price discipline, especially in the goods-producing sector. Many internationally traded commodities are already cheaper in dollar terms—petroleum is a prime example. The strong dollar also implies a squeeze on profits, not only because cost increases will be difficult to pass on in the form of higher prices, but also because earnings from overseas activity will be translated into dollars at a less favorable rate.
- ◆ Finally, part of the economy's first-quarter strength was more apparent than real, reflecting mild weather which helped boost retail sales and construction activity compared to normal winter levels of activity. In addition, a sudden jump in business inventories accounted for nearly one-third of the quarter's growth—an element unlikely to be repeated in the near future. In the absence of these special factors, growth will slow over the spring and summer months.

FIGURE II-7

Selected U.S. Economic Indicators 1996 to 1998

	1996	1997	1998
Real gross domestic product, (1992 dollar) (Percent change)	2.4	3.3	1.7
Personal consumption expenditures	2.5	3.6	2.2
Gross private domestic investment	4.6	8.3	2.7
Government purchases of goods and services	0.8	1.1	0.5
GDP deflator (1992=100) (Percent change)	2.0	2.1	2.2
GDP, (Current dollar) (Percent change)	4.4	5.4	3.9
Federal funds rate (Percent)	5.3	5.7	5.9
Personal income (Percent change)	5.5	5.8	4.7
Corporate profits before taxes (Percent change)	6.8	4.0	-1.5
Nonfarm wage and salary employment (Millions)	119.5	122.2	124.2
(Percent change)	2.0	2.2	1.6
Unemployment rate (Percent)	5.4	5.2	5.4
Housing starts (Thousands)	1,466.8	1,445.0	1,332.7
(Percent change)	7.9	-1.5	-7.8
New car sales (Millions)	8.5	8.4	8.0
(Percent change)	-2.2	-1.3	-4.7
Consumer price index (1982-84=100)	157.0	161.1	165.7
(Percent change)	2.9	2.6	2.9

Forecast based on data available as of May 1997. Percent changes calculated from unrounded data.

Source: California Department of Finance (1997-98 May Revision forecast)

FAULTY GAUGES

There is a growing realization that many of the nation's statistical measures are out of sync with the rapidly evolving economy. The likely direction of error in the economic statistics is positive. If anything, economic growth is probably stronger and inflation even lower than currently estimated. There are two basic, and largely related, problems: an overstatement of inflation and the difficulty in measuring the rapidly-growing services sectors of the economy, particularly services related to technology. These, of course, are especially important in the California economy.

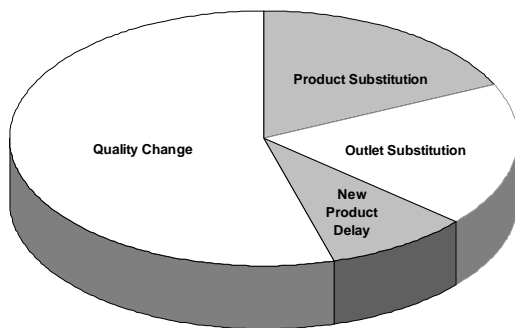
The CPI Bias. The issue bubbled to the surface in December when a Senate Commission reported that the consumer price index (CPI) is overstating inflation by 1.1 percentage point annually. The Senate's interest centers on the CPI's impact on the federal budget. With many entitlements such as Social Security and federal pensions indexed to the CPI, as well as major revenue sources such as the individual income tax, the Commission estimated that eliminating the bias would reduce the cumulative federal deficit by more than \$1.1 trillion over the next 12 years, actually producing budget surpluses after the turn of the century, based on current tax and spending patterns.

The Commission found four areas of bias: product substitution, outlet substitution, delay in pricing new products, and quality adjustments. The first three items each contribute 0.1 to 0.2 percentage point of error. Quality improvements account for 0.6 percent of the overstatement, but are the most difficult to correct and the most controversial.

Product substitution is the process by which the price mechanism allocates scarce resources: if the price of apples rises relative to the price of bananas, consumers can be counted on to buy fewer apples and more bananas. Outlet substitution occurs when consumers buy the same product or service at different places and at different prices. The issue arises because of the rapid growth of discount stores and wholesale "clubs", many of which are competing directly with traditional department, specialty and food stores.

FIGURE II-8

Source of CPI Bias



The CPI has been slow to change the list of stores surveyed to reflect changing consumer buying patterns. There is a question as to whether the shift toward discount outlets also results in a change in quality—such variables as home delivery, warranty service, size of container, and even the overall store ambiance may affect quality, and partly offset the observed difference in price between discounters and traditional stores.

The CPI is criticized for being slow to introduce new products into the market basket list of goods and services priced each month. It took more than a decade for the video cassette recorder (VCR) and personal computer (PC) to be included on the shopping list. During those initial years, price declines are typically steepest, and are missed entirely by the CPI. In the case of VCRs, about 90 percent of the price decline and quality improvement occurred in the 1976 to 1987 period when these devices were not part of the market basket.

The Bureau of Labor Statistics, which produces the CPI, indicates that, if it received sufficient budget resources, it could probably respond to the majority of the suggestions regarding substitution and new products. However, for some types of substitution (between major product categories) the calculations can be made only after detailed information on actual consumer purchasing patterns are available. These are only collected annually, and are compiled with a lag of several months.

Thus, for practical reasons, even if there were full agreement on the Commission's findings, monthly CPI figures could not fully incorporate substitution. In addition, however, the CPI by design has always been a fixed-weight index. Common perceptions to the contrary, the CPI has never been a true "cost of living" index, nor is it intended to be.

Quality issues are much more difficult to tackle, and will necessarily introduce an element of subjective judgment into the calculations. In many instances, it is possible to objectively estimate the value of quality improvements. The index for new car prices, for example, is adjusted whenever previously optional equipment is made standard and when newly required equipment is added, even when consumer utility is not incrementally increased, as in the case of pollution-control devices. Still, the Commission argues that the CPI fails to capture "overall" quality improvements resulting in much longer useful lives, affecting the indexes for both new and used vehicles.

Services pose a particularly vexing problem, although recent research by economists at Harvard and Stanford for the National Bureau of Economic Research (NBER) has provided a solid and objective yardstick for quality improvement in a large segment of medical care. The cost of treating heart attacks, which accounts for one-seventh of all medical care spending in the U.S., has risen by nearly twice the rate of inflation over the last dozen years—in line with overall medical costs. The NBER research shows, however, that the increase in real cost is more than accounted for by increased survival rates and life expectancy resulting from the more expensive procedures now commonly employed. Their conclusion: rather than increasing at twice the rate of inflation, the quality-adjusted cost of heart-attack care actually declined in real terms during the 1980s and early 1990s.

Other elements of quality adjustment will be far more difficult to evaluate by any objective standard. For example, the Commission attributes a portion of quality improvement to the increased variety of products and services available in the marketplace. Generally, economic theory suggests that consumers benefit from increased choice. There is little doubt that the price of breakfast cereal—an example cited by the Commission—has increased in part because of the explosion in the number of different products on offer. Inventory, distribution, packaging, advertising, display and even manufacturing costs all have risen as a result of this proliferation of brands and box sizes. Venturesome consumers have benefited from the wider variety, but for steadfast consumers of old standbys like corn flakes or oatmeal, the price increases associated with increased choice must be judged as pure inflation.

Thus, changing the CPI to make it a more accurate measure of living costs is considerably easier said than done. Some of the required information is simply not available on a timely basis. Elements of subjective judgment will be required in the areas of quality improvement and outlet substitution. The issue of whether, as a matter of policy, the very nature of the CPI will be changed from an index which measures price movements for a fixed list of goods and services, to a more flexible “cost of living” index, must also be decided.

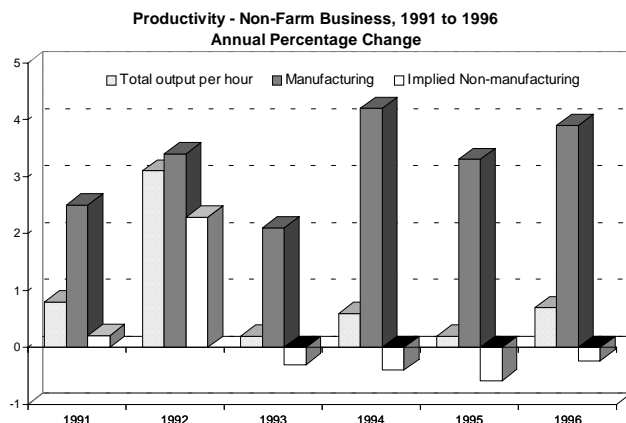
For these reasons, and because the Bureau of Labor Statistics has already embarked on a program to improve the accuracy of the CPI (thus posing something of a moving target), it will be necessary, at some point, to produce an alternate “cost of living” measure for indexing federal tax and spending programs, and that there will almost certainly have to be a commission to make the required subjective judgments.

How Much Growth? To some extent, the CPI bias also affects the measurement of economic growth, since CPI prices form the core of the deflators used to translate nominal consumer spending in GDP into constant dollar figures. The deflator, however, avoids some of the pitfalls of the CPI, including at

least part of the substitution bias, since the deflators are chain-weight rather than fixed-weight indexes. (That is, weights are based on actual consumption patterns in the previous period, rather than being fixed at a stationary point in time.) Quality, outlet and new product bias remain in the deflators, probably resulting in an understatement of real growth by several tenths of a percentage point each year.

Indirect evidence of flawed pricing measures can also be seen in consumer spending patterns. Much has been made of the apparent stagnation of real incomes over the last 25 years. Yet, the *shares* of income spent on necessities such as food and clothing have actually fallen more rapidly during this period than in the 1950s and 1960s, when real incomes were reputed to have risen annually by 2 to

FIGURE II-9



3 percent. At the same time, in the last quarter century, consumers have increased their relative spending on such luxuries as recreation and entertainment much more than during the earlier period. Economic theory—and common sense—both suggest that as incomes rise, the share spent for necessities declines while the share spent on discretionary items increases. Could it be that living standards—and thus real incomes—have actually risen more in the last 25 years than in the “golden age” of the 1950s and 1960s? Consumer spending patterns provide a strong case for a rising, rather than stagnant, standard of living.

A significant reason for the flawed price measures is the growing problem associated with the measurement of services output in the economy. By their very nature, services are more difficult to count than goods and prices for service are often hidden or not explicit. Banking is a good example of hidden pricing: in exchange for the use of a depositor's funds, banks often give away or charge less than cost for their services.

Services, particularly high-technology services, comprise the most rapidly growing segment of the economy, thus, in terms of overall economic measurement, this “blind spot” is becoming an increasingly serious problem. In the technology sector, there is a real question as to whether some output is being missed entirely. Business software, whether custom-developed or sold to firms, is not considered a “final product”, but an intermediate good. As such, software is counted as adding to business costs. But such software is in fact often a final product, such as a commercial Internet World Wide Web site, or software preloaded on personal computers. This source of error is of obvious interest in California, which is the major center for the entire information-technology sector.

A glimpse of the problem is revealed in productivity figures, which measure output per hour of work. Over the last five years, output per hour of work in the nonfarm business sector has increased by an average of 1 percent per year. However, within that total, manufacturing output per hour has risen an annual average of 3.4 percent, while non-manufacturing is up a scant 0.2 percent annually. As Figure II-9 shows, all of the non-manufacturing gain came in 1992, and according to these estimates, productivity outside manufacturing has declined every year since.

This simply is not a reasonable outcome. Profit-seeking businesses would not continue to hire—and grant pay increases to—workers whose output is falling. Some have suggested that manufacturing productivity may be overstated by the growth in “outsourcing” of both production and non-production activities (contract manufacturers are inexplicably categorized as engineering and management consulting in the services sector), but this would only reduce factory productivity by a few tenths of a percentage point and add perhaps 0.1 percentage point to non-manufacturing—the large disparity remains.

The output-per-hour data are calculated by dividing real GDP by the number of hours worked. Hours of data are collected each month with the nonfarm (establishment) employment survey, and generally are considered reliable. (Errors are most common in the most recent 12 to 18 months of data, but these almost always understate non-manufacturing hours, which would lead to an overstatement of non-manufacturing productivity.) The likely culprit is an understatement of non-manufacturing output.

How big is the problem? It is very difficult to estimate, but a reasonable guess would be that between the undercount of services and the overestimate of inflation (the two sources of error overlap) growth is being understated by between one-half and one percent per year.

But problems are not confined to the measurement of services and prices. In January, the Census Bureau reported that it has been underestimating merchandise exports by somewhere between 3 and 10 percent. Since there does not appear to be a problem with imports, the export undercount implies that in 1995 the trade deficit was overstated by as much as \$58 billion or 40 percent—equal to 0.8 percent of nominal GDP.

It is unclear what if any effect the export undercount may be having on estimates of economic growth (if the error were constant, there would be no effect), although the Census Bureau believes the extent of the problem has been increasing in recent years. Thus, it is not unreasonable to suppose that the understatement of exports may be subtracting a tenth of a percentage point from annual GDP growth.

Finally, there is an unusual and growing gap between GDP output and income measures. (The national income accounts are double entry: income and output are measured separately, but theoretically should balance.) Because the two sides of the accounts are built from different data sources, there is inevitably some variance between the two—a figure known as the “statistical discrepancy”. Historically, the figure has been relatively small—\$30 to \$40 billion, about one-half percent of GDP, with the output estimate usually exceeding in the income figure. Over the past two years, however, the gap has shifted from \$30 billion of output in excess of income to over \$90 billion of income in excess of output—a swing of more than \$120 billion.

The U.S. Commerce Department’s Bureau of Economic Analysis (BEA)—which works more closely with output measures—believes the error is more likely to be on the income side of the accounts. Others are less sure. Most income data are ultimately derived from various tax-based information, the largest single piece being wages and salaries taken from payroll tax filings. Regular users of payroll data have found few anomalies in the reports over the last two years. Indeed, current BEA estimates of personal income for California—which are consistent with national figures—are about \$12 billion or nearly 2 percent lower than implied by payroll tax data for 1996. This suggests that, as usual, U.S. personal income will be boosted in this summer’s annual benchmark revisions. If so, much more output will need to be found if the accounts are to be brought into any semblance of balance.

All of this means that the economy has been growing faster than currently estimated, with lower inflation (but even if growth were a full percent per year more than now calculated, this would still be the slowest long expansion on record by a considerable margin). Because productivity growth is probably higher, the economy’s capacity for growth at low rates of inflation may be more than now reckoned.

The economy’s performance relative to its long-run potential is probably not that different from current perceptions (but both actual and potential growth are higher than reported). Some indicators, such as the unemployment rate, are unaffected by these measurement errors. However, it is still important to improve economic measurement, as is clearly illustrated by the federal budget implications of the inflation bias. Equally important, poor measurement can easily lead policy makers astray, at worst contributing to a mishap that could lead to recession.

For example, the Federal Reserve’s interest in the CPI stems from its mission of promoting price stability: if the CPI is overstated, the Fed could lean too hard against reported price changes and slow economic growth unnecessarily. Likewise, if productivity growth is greater than the official numbers indicate, an upward creep in wages may be less troublesome than commonly supposed, since rising output per worker offsets a portion of wage increases when calculating product and service costs.

III. CALIFORNIA OVERVIEW

The California economy continued its strong, sustained growth in 1996—gaining over 350,000 jobs and almost \$50 billion of personal income. This favorable economic performance maintains the pattern of recent years—a vigorous, diverse, broad-based expansion, combined with a structural shift away from the national defense-related sector and toward emerging, information-based industries. Jobs are being created across a wide range of industries, including many high-wage, high-skill, and high-technology businesses. Technological innovation—one of California's historic and present-day strengths—has fostered the rapid growth of cutting-edge industries such as electronics manufacturing; computers, communications, multimedia software; and biotechnology. The state's robust expansion in these high-technology and export industries is now powering the state's economic expansion.

- ◆ Over 350,000 new jobs were added on an annual average basis. California's growth in employment of 2.8 percent was well above the nation's 2 percent payroll growth.
- ◆ The state's unemployment rate continues to fall, dropping to an average of 7.2 percent in 1996. In early 1997, the rate had dropped even further, to 6.5 percent.
- ◆ Employment expanded in most major sectors—led by strong gains in services and manufacturing. In addition, all major metropolitan areas in the state shared in the job growth.
- ◆ Foreign trade continued to post strong gains in 1996, with exports growing by 6 percent, based on port shipments, and over 8 percent based on estimates of California-made goods.
- ◆ Inflation continues to be at its lowest rate in a decade, with consumer prices up only 2 percent last year.
- ◆ Personal income increased by 6.5 percent, more than a full percentage point above the nation. With last year's low inflation, this represents a real gain in California income of almost 5 percent.

However, some sectors are not yet participating in the economic expansion. New residential construction remains at very low levels. Deregulation, competition, and restructuring are leading to job losses in the communication and utility industries. Federal Department of

FIGURE III-1

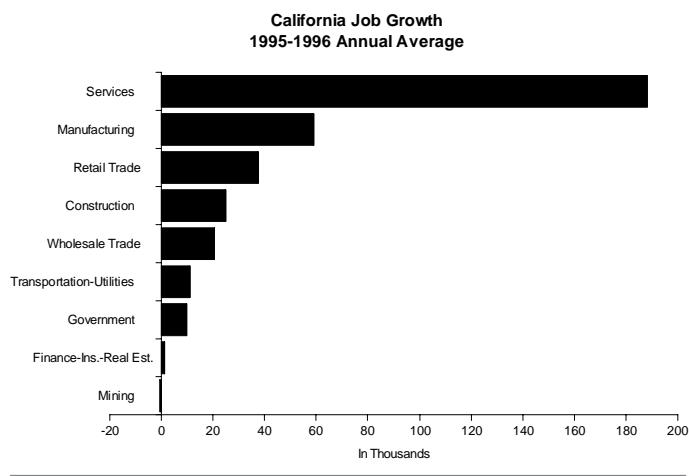


Defense employment is continuing its post-Cold War decline. Aerospace, on the other hand, appears to have bottomed out: although the sector lost jobs in 1996 on an average annual basis, monthly data show consistent gains since early last year.

LABOR MARKET TRENDS

Job growth in California continued to accelerate in 1996. Average annual employment increased by 2.8 percent last year, surpassing 1995's 2.3-percent gain. The pace of job creation was the fastest since 1989. Not only is the state adding jobs at a pace well above the national average, but the mix of employment is extremely encouraging. The most striking contrast is in manufacturing, where California added 60,000 new jobs last year, while the other 49 states lost nearly 250,000 factory jobs.

FIGURE III-2



Employment growth was evident throughout the state, as all major metropolitan areas experienced job growth in 1996. The Bay Area led the state with an average annual 3.8-percent increase, with rapid growth of 5.7 percent in the Silicon Valley (San Jose). Although annual average data indicate a 2.0-percent increase in employment in Southern California, more recent data show faster growth in that area. From January 1996 to January 1997, job growth in Southern California was 2.9 percent. Both Los Angeles County and Ventura County experienced accelerated job growth.

FIGURE III-3

Nonagricultural Wage and Salary Employment in Selected Areas (in Thousands)

Metropolitan Area	1995	1996	Percent Change
Southern California	7,038.4	7,179.0	2.0%
Los Angeles-Long Beach	3,746.5	3,801.9	1.5%
Orange	1,151.7	1,184.2	2.8%
Riverside-San Bernardino	779.9	807.4	3.5%
Ventura	237.3	239.9	1.1%
San Diego	978.6	999.0	2.1%
Santa Barbara-Santa Maria-Lompoc	144.4	146.6	1.5%
Northern California	3,047.1	3,161.8	3.8%
San Francisco	916.5	951.7	3.8%
Oakland	897.5	915.8	2.0%
San Jose	831.9	879.1	5.7%
Santa Rosa	150.3	157.2	4.6%
Vallejo-Fairfield-Napa	141.7	144.3	1.8%
Salinas-Seaside-Monterey	109.2	113.7	4.1%
Central Valley	1,311.0	1,343.4	2.5%
Sacramento	587.0	605.8	3.2%
Fresno	266.9	270.7	1.4%
Bakersfield	172.8	175.2	1.4%
Stockton-Lodi	160.3	163.3	1.9%
Modesto	124	128.4	3.5%

Source: California Employment Development Department

By the middle of 1996, all of the jobs lost during the three and one-half years of recession had been recovered. By early 1997, the state had added one million jobs since the mid-1993 recession low and employment was nearly 300,000 above its 1990 peak. During the first quarter of 1997, nonfarm jobs grew at an annual rate of over 400,000, passing the 13 million mark for the first time in February.

The state's unemployment rate continued its four-year decline in 1996, falling to 7.2 percent on an average annual basis—down from 7.8 percent in 1995. In March 1997, the state's unemployment rate fell to 6.5 percent—a full percentage point below the year-earlier reading.

Beginning in January 1996, the U.S. Bureau of Labor Statistics revised the methodology for estimating unemployment rates. Estimates for states are now based on a model that incorporates current wage and salary employment and unemployment statistics, as well as data from the Current Population Survey. This new method will reduce the volatility of the unemployment series and provide a more consistent set of labor force statistics.

PERSONAL INCOME GROWTH

Personal income climbed to \$810.1 billion in 1996, an increase of 6.5 percent, the second straight year of income growth over 6 percent. In addition, after removing the effects of inflation (as measured by the California consumer price index), real growth in purchasing power over the last two years has been the fastest since 1984.

Wages and salaries, which account for 54 percent of personal income, rose 6.0 percent to reach \$439.7 billion in 1996. The growth in wages was more than double the increase in employment—a result of the relatively large share of employment growth occurring in high-technology, high-wage jobs. Other labor income—fringe benefits—increased by 6.2 percent. Proprietors' income continued to post strong growth, increasing by 10.7 percent. As a result, earnings—comprised of wages, other labor income, and proprietors' income—advanced by 6.5 percent last year. Every major industry group experienced increases in earnings, led by a 10-percent increase in the services industry and an 8-percent gain in finance, insurance, and real estate. The impact of military base closings can be seen in the 4.7-percent drop in federal civilian earnings and the more than 9-percent decline in military pay.

Property income advanced at a healthy 7.2-percent pace in 1996, led by double-digit increases in dividends and rent. Growth in transfer payments dropped from 5.1 percent to 4.7 percent, reflecting the ongoing improvement in economic conditions.

FIGURE III-4

Personal Income In California, 1995 and 1996

	1995		1996	
	\$ billions	Percent Change	\$ billions	Percent Change
Total	\$760.4	6.2	\$810.1	6.5
Wages and salaries	414.9	5.1	439.7	6.0
Other labor income	52.3	4.5	55.5	6.2
Proprietors' income	73.8	7.5	81.7	10.7
Farm	2.6	-12.4	4.8	86.2
Nonfarm	71.3	8.4	76.9	8.0
Dividends	25.5	9.6	28.3	10.7
Interest	86.2	9.3	90.4	5.0
Rent	23.8	13.3	26.5	11.5
Transfer payments	121.4	5.1	127.2	4.7
Less: Contributions for				
Social Insurance	37.6	4.0	39.4	4.7
Plus: Residence adjustment	0.2	23.1	0.2	24.3

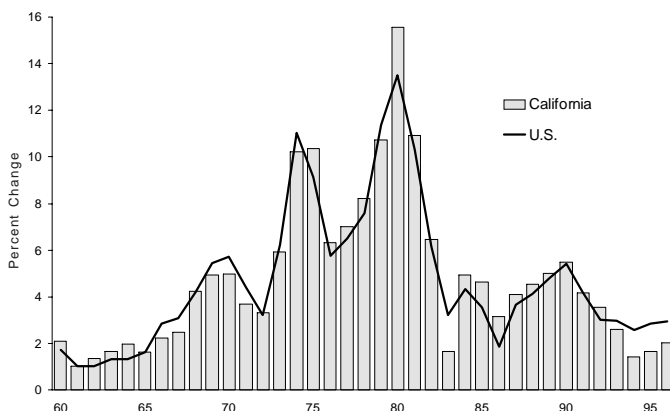
Percent changes calculated from unrounded data.
Source: California Department of Finance

CONSUMER SPENDING

Retail sales grew by 4.9 percent in 1996, according to the U.S. Department of Commerce. The state's increase was in line with the nation's 5.3-percent gain. California's retail sales growth was led by advances in durable good sales. Purchases of durable goods were postponed in the long recession, creating pent-up demand for those goods which is now boosting sales. Durable-good stores increased their sales by 7.8 percent in 1996, while sales of nondurable goods climbed by 2.9 percent.

FIGURE III-5

Consumer Price Index Annual Percent Change



Regional data indicate that retail sales growth in both the San Francisco and the Los Angeles areas surpassed statewide growth. Sales in the ten-county San Francisco area grew by 5.8 percent, with robust gains of over 8 percent in several locations. The five-county Los Angeles region posted a 5.3-percent increase in sales.

Taxable sales growth in 1996 also points to increased consumer spending. Taxable sales, which exclude food and prescription medicine, grew by 6.7 percent last year, based on preliminary information.

Sales of cars and light trucks picked up in 1996. In total, 1.34 million noncommercial vehicles were registered in California in 1996—a 2.4-percent increase from the prior year. For the nation as a whole, car and light truck sales rose by 2.2 percent to 15.1 million units—with sales of cars declining by 1.3 percent and light trucks increasing by 7.1 percent.

LOW INFLATION

Inflation news continues to be the best in decades. The California consumer price index (a population-weighted average of the Los Angeles and San Francisco area indexes) rose by 2.0 percent in 1996. Not since the early 1960s has inflation in California been at or below 2 percent for three consecutive years as it was from 1994 to 1996. Also, for the past three years, inflation in California has been at least a full percentage point below the rate for the nation as a whole.

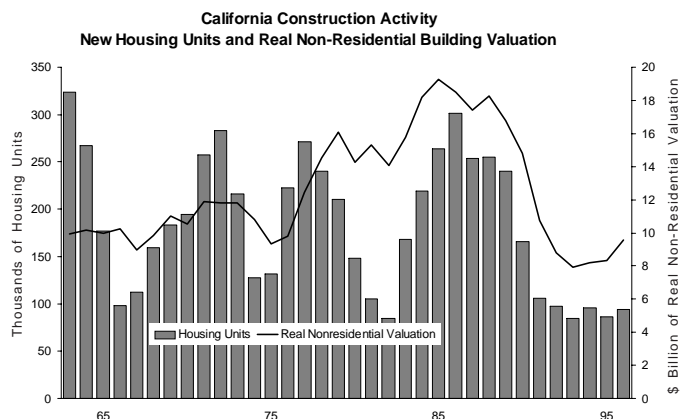
Prices in the Los Angeles metropolitan area climbed only 1.9 percent in 1996, while those in the Bay Area rose by 2.3 percent. Housing, apparel, and transportation helped hold down inflation in Los Angeles. Household fuel prices fell as a result of deregulation and increased competition. Natural gas prices fell by 1.8 percent and electricity prices dropped by 3 percent. Modest rises in residential rents and homeowner costs, reflecting conditions in the housing market, also helped keep housing inflation low in Los Angeles.

In the Bay Area, increases in rent and homeowner costs were offset by declines in fuels, leading to an increase of 1.9 percent in housing costs. Fuel costs fell more sharply in the Bay Area than they did in Los Angeles, led by a 20.7-percent decrease in natural gas prices—the result of a one-time rebate. Also, in contrast to the Los Angeles area, Bay Area apparel prices rose, led by a 5.7-percent rise in women's clothing prices.

CONSTRUCTION

Construction activity was mixed in 1996. Nonresidential activity increased at a vigorous double-digit pace, but homebuilding continued to lag. Residential construction remains the missing piece in the California expansion. In past upturns, housing permits usually led—or at least coincided with—employment and income growth. Recent months have shown an encouraging uptick in new housing permits, sales of existing homes, and home prices, but the state's residential construction sector remains lackluster by the standards of past recoveries, with only 94,000 permits issued in 1996. Additional analysis of the California housing market is in Chapter V of this report.

FIGURE III-6



The value on nonresidential construction surged by over 17 percent in 1996—the third consecutive year of growth. Permits were issued for buildings and alterations valued at \$9.6 billion in 1996, compared to \$8.2 billion the previous year. Industrial projects posted a very strong 53-percent increase followed by commercial buildings which grew by almost 20 percent.

Nonresidential construction increased across the state. In Southern California, there was a 73-percent increase in industrial buildings and office construction grew by 21 percent. Even in Los Angeles County—one of the last regions to recover from the recession—both commercial and industrial construction posted gains. The Sacramento area continued to grow as a result of an influx of electronics firms and expansion of existing businesses. In San Diego, non-residential construction increased to meet growing demand by communications, biotechnology and medical technology companies. Industrial building growth in the San Francisco Bay Area was driven by the needs of the electronics industry—industrial construction nearly doubled in Santa Clara County.

CALIFORNIA OUTLOOK: OUTPACING THE NATION

Solid gains in employment and income will continue for the next two years, with growth exceeding that of the nation. Price increases will remain contained, with inflation below the national average.

- ◆ The state's unemployment rate should continue to fall over the next two years—dropping to 6 percent by the end of 1997, and approaching the national level in 1998.
- ◆ Nonfarm employment is projected to grow faster than the nation for the next two years. The state is expected to add 380,000 new jobs this year and 300,000 more in 1998.
- ◆ California should continue to see increases in high-wage, high-technology industries, including motion pictures, computer systems, and software, much of it driven by the emerging multi-media and Internet-support industries—virtually all of which are centered in California.
- ◆ Aerospace should post modest gains. Defense-related aircraft employment should stabilize and aircraft electronics equipment employment should increase. In addition, commercial aircraft orders are on the rise, which will have a positive effect on California-based aerospace suppliers.
- ◆ Personal income growth is expected to remain strong—increasing by more than 6.5 percent in 1997 and about 6 percent in 1998.
- ◆ New home construction should continue a gradual recovery, with permits rising from 94,000 units in 1996 to 110,000 in 1997 and 122,000 in 1998. New nonresidential building valuations will show strong growth—with last year's double-digit growth continuing in 1997 and 1998.
- ◆ Inflation is projected to increase slightly, rising from 2 percent in 1996 to 2.3 percent in 1997 and 1998, but will remain below the national rates of increase.

FIGURE III-7

Selected California Economic Indicators
In thousands unless otherwise indicated

	Actual		Forecast			
	1996	Percent Change	1997	Percent Change	1998	Percent Change
Personal income (\$ billion)	810.1	6.5%	865.2	6.8%	917.7	6.1%
Nonfarm W&S employment	12,775	2.8%	13,154	3.0%	13,450	2.3%
Mining	30	-1.5%	29	-0.3%	29	-1.2%
Construction	511	5.2%	553	8.2%	584	5.6%
Manufacturing	1,853	3.3%	1,900	2.5%	1,940	2.1%
High Technology	498	4.1%	516	3.5%	529	2.7%
Transportation, utilities	641	1.8%	651	1.5%	654	0.4%
Wholesale & retail trade	2,973	2.0%	3,045	2.4%	3,097	1.7%
Finance group	733	0.2%	730	-0.4%	732	0.2%
Services	3,917	5.0%	4,117	5.1%	4,277	3.9%
Government	2,117	0.5%	2,128	0.6%	2,138	0.5%
Unemployment rate	7.2%	--	6.3%	--	5.8%	--
Housing permits	94	8.9%	110	17.6%	122	10.7%
Consumer price index (1982-84=100)	157.1	2.0%	160.7	2.3%	164.5	2.3%

Source: California Department of Finance (1997-98 May Revision Forecast)



IV. CALIFORNIA INDUSTRIES

The current strong expansion in California's economy is much more than an ordinary economic recovery. The 1990s have witnessed a major transition in the economic base of the nation's largest regional economy. For fifty years, from the beginning of World War II until the end of the 1980s, aerospace—much of it defense-related—was California's leading export industry. In a period of less than eight years, employment in the aircraft, missile, space vehicle, and search and navigation instruments industries has been slashed by two-thirds. California's expansion is being propelled by an entirely different set of industries—including new industries such as computer software, multimedia, and biotechnology—as well as more traditional California specialties such as motion picture production and electronics manufacturing.

In addition to the sharp drop in aerospace, California has also experienced major restructuring in several traditionally stable industries—communications, energy utilities, and banking—and severe cutbacks in Federal Department of Defense employment. Accompanying the reductions in aerospace procurement outlays, California also suffered more than two-thirds of the nationwide job losses resulting from military base closures.

Against this background, California's recovery is all the more noteworthy. Few regional economies in the world have the resiliency that California has demonstrated during this remarkable comeback. Now, with aerospace beginning to stabilize and with restructuring in several industries having nearly run its course, the stage is set for a more broad-based expansion encompassing most of the state's major industries.

CONSTRUCTION

The construction industry continued to expand last year. Over 25,000 jobs were added on an average annual basis in 1996, for a 5.2-percent increase. An upturn in nonresidential building and modest gains in new home building both contributed to the upturn in construction employment.

Housing permits have been fluctuating around a 90,000-unit annual rate for the last five years, well below long-run trends and expectations. New permits totaled 94,000 in 1996, a 10.4-percent increase. Single-family housing starts rose by 9 percent to the 75,000-unit level. Multi-family housing units, which fell by 16.7 percent in 1995, increased by 16.5 percent last year to nearly 20,000 units.

Non-residential building increased by over 17 percent in 1996, fueled by an almost 54-percent growth in industrial buildings and a 19-percent increase in commercial structures. The impressive

FIGURE IV-1

Construction Activity by Type of Project (Dollars in Millions)

	1995	1996	Percent Change
Residential			
Single-Family Structures	10,000.2	11,431.6	14.3%
2-4 Unit Structures	339.6	306.9	-9.6%
5-or-more Unit Structures	890.9	1,094.0	22.8%
Alterations & Additions	2,647.9	2,444.4	-7.7%
Total Residential	13,878.6	15,276.8	10.1%
Nonresidential			
Commercial	2,308.9	2,746.6	19.0%
Office Buildings	619.6	767.1	23.8%
Stores & Mercantile	1,284.6	1,444.2	12.4%
Hotels & Motels	49.6	120.1	141.9%
Amusements & Recreation	192.3	222.9	15.9%
Parking Garages	113.2	147.7	30.4%
Service Stations	49.6	44.7	-10.0%
Industrial	732.9	1,124.7	53.5%
Other	1,050.7	1,151.9	9.6%
Alterations & Additions	4,062.3	4,532.6	11.6%
Total Nonresidential	8,154.8	9,555.7	17.2%
Heavy, Nonbuilding Construction			
Streets, Highways, & Bridges	3,081.0	2,665.4	-13.5%
Other Heavy Construction	4,720.4	4,539.5	-3.8%
Total Heavy Construction	7,801.4	7,204.9	-7.6%
Total Construction	29,834.7	32,037.4	7.4%

Source: Construction Industry Research Board

growth in industrial buildings is especially promising, since this construction is not usually done for speculative purposes but to meet specific needs—implying further manufacturing growth.

Almost all types of commercial buildings increased at double-digit rates in 1996 (the one exception being service stations, which dropped by 10 percent). Hotels and motels led the way with explosive growth of over 140 percent. New office construction increased by 24 percent and there was a 12-percent rise in retail stores.

MANUFACTURING

Employment in the manufacturing sector increased by 3.3 percent in 1996—a gain of almost 60,000 jobs. This represents the best job growth since 1984 and is in sharp contrast to a loss of nearly 190,000 factory jobs for the nation as a whole—implying a drop of nearly a quarter-million outside California. All major durable goods manufacturing industries posted payroll gains, except for transportation. Transportation continues to decline as a result of losses in military-related aerospace, but the 1.5 percent drop in 1996 compares favorably to the larger 7.7-percent decrease in 1995.

Producers of non-durable goods also increased their employment, but the results by industry were mixed. Strong growth in food processing and apparel was offset partially by declines in printing, chemicals, and petroleum refining.

DURABLE GOODS

High-technology industries account for almost 45 percent of California's durable-goods jobs. About two-thirds of high-technology employment is in electronics manufacturing, with the remainder in aerospace. More than 40 percent of the state's high-technology jobs are located in southern California, with employment there almost evenly split between electronics and aerospace. Another 40 percent of high-technology jobs are in the Silicon Valley (Santa Clara County)—almost all of which are in electronics manufacturing.

Aerospace. The long, steep decline in aerospace appears to be ending. Although the sector lost 3,700 jobs in 1996 on an annual average basis, this represents a significant improvement from the last several years when job losses ranged from 20,000 to 35,000 annually. Moreover, monthly figures suggest that aerospace actually reached bottom early last year: employment in the opening months of 1997 was more than 2,000 above the comparable year-earlier level.

Aerospace's improving performance is the result of several factors. Commercial orders are up strongly, with unit orders increasing by over 70 percent between 1995 and 1996. Military business, while still a drag on output, is beginning to stabilize and several new aircraft programs are being considered by the Pentagon.

Search and navigation equipment is now posting steady growth, as advanced electronics flight equipment is placed in new aircraft and retrofitted into older aircraft. In addition, the commercialization of space will add jobs in California. Two examples are the Sea Launch program, to be home-ported in Long Beach, and the X-33 space vehicle, for which most of the design work will be performed at Lockheed-Martin's "Skunk Works" facility in Northern Los Angeles County.

Electronics. California is home to 70 of the nation's 200 largest electronics companies, including 4 of the largest 10. Computers and semiconductors continue to contribute to employment growth in the state, but 1996 represented a move toward more sustainable growth patterns compared to the industry's recent heady records. Sales of computers grew at a strong 19-percent rate last year, although this was not as robust as the 26-percent gain in 1995.

Electronic components is the largest of the electronics industries—accounting for over 40 percent of employment in 1996. It was also the fastest growing industry in the group, adding over 12,000 jobs, for a 9.4-percent increase.

Another growth industry in electronics is communications equipment. Increasing consumer and business demand for wireless telephone services and Internet access are driving production of more cellular phones, modems, and switching devices. Robust gains are also occurring in satellite communications, whether to provide instant telecommunication infrastructure to developing countries or to provide digital television, data communications, and Internet access from umbrellas of hundreds of satellites.

Other Durable Manufacturing. Most other durable manufacturing industries posted solid gains in 1996. Leading the growth was non-computer industrial machinery, which grew by 8.1 percent—sparked by a 21.6-percent increase in special industry machinery. Included in this category is the production of equipment used in the electronics industry—semiconductor manufacturing equipment, which produces wafer processing machines, test and inspection equipment, and assembly equipment. Growth in the industrial machinery industry is driven by strength in U.S. business equipment investment and strong international demand.

Jobs in construction-related industries—lumber, furniture, stone-clay-glass, and fabricated metals—increased by 3.6 percent. Continued growth in commercial and industrial building and a modest recovery in new homes should lead to continued employment gains in these industries over the next two years.

NON-DURABLE GOODS

The largest non-durable goods industries in the state are food processing, apparel, and printing and publishing. These three combine for over two-thirds of non-durable goods manufacturing employment.

Employment in the apparel industry continued to expand in 1996, growing by over 4 percent. California is the

FIGURE IV-2

Manufacturing Employment (in Thousands)

	1995	1996	Percent Change
Total Manufacturing	1,794	1,853	3.3%
Nondurable Goods	705	717	1.8%
Food & Kindred Products	174	180	3.5%
Textile Mill Products	19	21	8.5%
Apparel & Other Textile Prods	152	159	4.4%
Paper & Allied Products	40	40	0.8%
Printing & Publishing	150	148	-1.3%
Chemicals & Allied Products	69	69	-0.4%
Petroleum & Coal Products	21	20	-5.6%
Rubber & Misc. Plastics Prods	73	74	1.7%
Leather & Leather Products	7	7	1.5%
Durable Goods	1,090	1,136	4.3%
Lumber & Wood Products	51	53	3.5%
Furniture & Fixtures	47	50	5.9%
Stone, Clay, & Glass	44	44	0.9%
Primary Metals	33	35	4.2%
Fabricated Metal Products	116	120	3.7%
Industrial Machinery	197	211	6.8%
Electronic Equipment	229	246	7.5%
Transportation Equipment	164	162	-1.5%
Instruments & Related Prods.	166	172	3.6%
Miscellaneous Manufacturing	42	43	3.8%
High Technology			
Aerospace	169	165	-2.2%
Electronics	310	333	7.4%

Source: California Employment Development Department

leading manufacturer of women's apparel in the nation, with most of that activity located in southern California. Growth in the industry has been driven by the popularity of California-designed sportswear. The area's strength in design is also a significant factor keeping jobs in the region—allowing companies to meet “just-in-time” delivery requirements of clothing that is largely made to order. This permits retailers to quickly restock popular items and avoid costly warehousing as well as the need to take markdowns on stale merchandise.

Food processing employment bounced back in 1996, adding over 6,000 jobs for a 3.5-percent gain. This growth was led by an increase of 8.3 percent in beverages—which includes high value-added wine production—and processed fruits and vegetables, which grew by almost 7 percent. The state's printing industry continued to lose jobs last year, dropping by 1.3 percent with most of the job loss in newspapers.

Jobs in chemicals and petroleum refining, fell by a combined 3.5 percent last year. The drop in chemicals and refining is in part the result of air quality regulations. Controls on factory emissions have led to some losses in these industries. In addition, the clean gasoline requirement has resulted in further employment losses, as older, less efficient plants have been removed from California, while the newly retrofitted refineries are also more highly automated.

TRANSPORTATION AND UTILITIES

The transportation and utilities sector grew by almost 2 percent in 1996, with increases in transportation more than offsetting job losses in communication and utilities.

The current strong national and state economies and increased foreign trade led to higher employment in all forms of transportation except railroads. The decline in railroad jobs was partly the result of recent merger activity. Increased shipments of goods by trucks and growth in the number of airline passengers and tons of cargo carried fueled an almost 4-percent increase in trucking and air transportation employment. As a result of a 7.5-percent jump in passenger traffic, Los Angeles International Airport rose from the fifth to the third busiest airport in the world.

Both the communications and utility industries are facing deregulation and increased competition. To position themselves in this new environment, these companies are striving to reduce costs, leading to reduced employment levels.

Employment in communications was off slightly in 1996, but there were areas of significant growth within the sector. For example, strong demand for cellular telephone services led to double-digit employment increases in this less regulated wireless segment. Strong employment growth also occurred in the television broadcasting and cable television industries. This robust job growth in wireless communication services almost offset continuing job losses in traditional, regulated utility segment. However, the purchase this year of the state's largest telephone utility by another “Baby Bell” is resulting in cuts in California-based headquarters and administrative staff.

Energy utilities continued to cut jobs last year. Natural gas and electric utility employment, which decreased by 2 percent in 1995, fell by an additional 2.2 percent in 1996. The sale of electricity in areas served by private-sector utilities will be essentially deregulated effective at the beginning of 1998. The state will almost certainly see increased power sales from lower-cost out-of-state sources, resulting in further restructuring of the traditional utilities. For the transportation and utility industry group as a whole, growth in transportation and wireless communications will continue to be offset by realignment in the regulated utility segments.

TRADE

The trade sector grew at a moderate 2 percent last year, adding over 58,000 jobs. Wholesale trade employment increased by almost 3 percent, led by a strong 4.0-percent gain in durables. Jobs in wholesale trade of non-durable goods lagged somewhat, growing at a more modest 1.3 percent last year.

Although wholesale trade employment has posted solid gains over the past two years, job levels have not yet reached the pre-recession peak. Job growth—driven by the economic expansion and international trade—has been offset by the efforts of large retailers and manufacturers to lower distribution costs by cutting out the “middle man”.

Employment in retailing increased by 1.7 percent. For the second year in a row, growth was strongest at furniture stores, where employment posted a 3.5-percent gain. The 3.2-percent increase in food store employment was almost twice the previous year’s advance. Growth in restaurant jobs slowed slightly last year, but remained a healthy 2.2 percent. After five years of job losses—totaling over 17,000—employment at building material stores grew by 1.9 percent last year. Apparel stores continued to cut employment for the sixth straight year. Apparel retail employment fell by 3.8 percent in 1996; price cutting and store closures—driven by an excess number of retail outlets—is expected to continue in the future, leading to continued losses of apparel store employment.

FIGURE IV-3

Trade Employment (in Thousands)

	1995	1996	Percent Change
Total Trade	2,915	2,973	2.0%
Wholesale Trade	725	745	2.9%
Wholesale--Durable	423	440	4.0%
Wholesale--Nondurable	302	306	1.3%
Retail Trade	2,191	2,228	1.7%
Bldng Materls & Garden Supply	75	77	2.0%
General Merchandise	244	243	-0.5%
Food Stores	304	314	3.2%
Automotive Dealers & Service	213	219	2.9%
Apparel & Accessory Stores	131	126	-3.8%
Furniture & Homefurn & Equipment	116	120	3.5%
Eating & Drinking Places	818	836	2.2%
Miscellaneous Retail Trade	290	294	1.3%

Source: California Employment Development Department

FINANCE-INSURANCE-REAL ESTATE

FIGURE IV-4

Finance, Insurance, and Real Estate Employment (in Thousands)

	1995	1996	Percent Change
Finance, Insurance, & Real Estate	732	733	0.2%
Finance	346	352	1.6%
Depository Institutions	218	213	-2.3%
Nondepository Institutions	54	59	10.2%
Security & Commodity Brokers	47	50	6.6%
Holding & Investment	28	30	8.0%
Insurance	202	199	-1.7%
Insurance Carriers	125	121	-2.5%
Insurance Agents & Brokers	78	77	-0.6%
Real Estate	184	183	-0.5%

Source: California Employment Development Department

After falling by 5 percent in 1995, employment in finance, insurance, and real estate rose by a modest 0.2 percent last year. However, growth was mixed within the sector.

Consolidation and restructuring drove bank payrolls down by 2.3 percent in 1996. Since 1990, banking has lost over 60,000 jobs—a 22-percent drop. Bank mergers have resulted in staff reductions as duplicate functions and branch locations are eliminated. Jobs are also lost as a result of increased automation—automatic teller machines and supermarket locations are replacing some traditional branches. Competitive pressures and a focus on cost-cutting are likely to continue, resulting in further losses over the next two years.

After falling by over 17 percent in the previous year, employment in non-deposit credit institutions (such as mortgage bankers and finance companies) rebounded last year—growing over 10 percent. Brokerage and investment companies also added to their payrolls at a stronger pace last year. One type of investment company—venture capital—is helping fuel California's high-technology growth. In 1996, venture capital firms invested a record \$10.1 billion in small start-up companies, according to a study by Coopers and Lybrand LLP—up a staggering 52 percent from 1995. California companies accounted for nearly one-third of all venture funding, receiving \$3.2 billion, a gain of 49 percent from the previous year.

Employment in the insurance industry continued to decline—decreasing by 1.7 percent in 1996. Insurance companies have been reducing employment as a result of both major casualty losses from a string of natural disasters in the state and restraints on industry profits imposed by a voter-approved ballot initiative. To help improve profitability, firms have been reducing lines of coverage and downsizing—resulting in over 21,000 jobs lost since 1990.

Real estate employment dropped by 0.5 percent last year, reflecting softness in residential markets early in the year. More recently, both residential resales and real estate employment have been experiencing moderate gains.

Overall, the financial sector will stabilize to slightly lower employment levels over the next two years. Real estate, securities firms, and nondeposit lenders should post moderate gains, but these will be offset by continuing consolidation and streamlining in the banking and insurance industries.

SERVICES

Services is the largest sector of the economy, accounting for over 30 percent of all nonfarm jobs in the state. This sector covers a broad spectrum of activities ranging from export-related motion picture production to population-serving industries such as auto repair and health care. One-fourth of employment in services is in business services, making it the largest of the state's industries. Business services provides over 970,000 jobs in advertising, computer software, data processing, and other services used by businesses.

FIGURE IV-5

Services Employment (in Thousands)

	1995	1996	Percent Change
Total Services	3,729	3,917	5.0%
Hotels & Other Lodging Places	179	184	2.9%
Personal Services	116	118	2.2%
Business Services	886	972	9.7%
Auto Repair & Parking	139	149	7.0%
Miscellaneous Repair Services	45	47	4.7%
Motion Pictures	161	173	6.9%
Movie Production	118	127	7.7%
Other Motion Pictures	43	45	5.1%
Amusement & Recreation Services	181	191	5.3%
Health Services	849	864	1.7%
Legal Services	119	118	-0.3%
Private Educational Services	180	189	5.1%
Social Services	232	241	3.7%
Museums, Bot., Zoological Gardens	8	9	10.1%
Membership Organizations	153	157	2.5%
Engineering & Management	398	416	4.6%
Miscellaneous Services	6	6	1.8%
Agricultural Services	78	85	9.1%

Source: California Employment Development Department

Not only is services the largest sector, it is also the fastest growing: over half of last year's new jobs were in service industries.

Business services set the pace with a gain of almost 10 percent. Over 86,000 jobs were added in this industry last year. The fastest growing component of business services was computer-related services. Employment in pre-packaged software, programming services, integrated system design, and information retrieval services posted double-digit gains. This growth was driven by the boom in personal computers, multimedia, and the Internet.

The motion picture industry continued to post strong gains last year, creating over 11,000 new jobs, for an increase of almost 7 percent. Production of movies and videos led the advance, rising by 7.7 percent. During the recession, when many industries were declining, the film industry was growing annually by 6 percent. Since

1990, the industry has added over 45,000 new jobs. Fueling this growth has been the emergence of new multimedia and entertainment technologies, which combine motion pictures, television, and amusements with high-technology such as computer animation. Another positive factor is the increase in original programming for cable television, new broadcast networks, and continued growth in exports of television and film.

Employment in the amusement and recreation service industry grew by over 5 percent for the second year. Planned expansions at many facilities in the state bode well for continued job growth in this industry.

Engineering and management consulting firms added over 18,000 jobs in 1996, a gain of over 4.5 percent. Business and management consulting services posted a double-digit increase. Another fast-growing industry was commercial physical and biological research laboratories. Included in commercial labs is most of the employment in the rapidly-emerging biotechnology industry. Biotechnology is a research-intensive field which benefits from many of the same elements that attract the electronics and information industries to California. These include a large scientific and engineering community, strong university-based research facilities, as well as the world's leading venture capital center.

GOVERNMENT

Public sector employment has been virtually flat since 1992, and increased by only 0.5 percent in 1996. Gains in state and local government jobs just offset cuts in federal employment.

Military cutbacks have hurt both the aerospace industry (reflecting declines in military procurement expenditures) and direct Department of Defense (DoD), reflecting military base closures and realignments. Civilian employment in the DoD continued its post-Cold War decline last year. Over the past seven years, DoD civilian employment has fallen by over 48,000—a 36-percent drop. Last year's decrease of 8.2 percent will not be the last—with continuing job losses from existing base closure decisions and a possible fifth round of closures in 1998 or 1999 may add to the toll. Non-defense federal employment also declined in 1996, dropping by 2.7 percent. As a result of these drops in defense and non-defense employment, total federal jobs dropped by 4.3 percent.

California has been especially hard hit by the base closures. Although the state's share of DoD military and civilian workforce was 15 percent at the end of the Cold War, California suffered a disproportionate 67-percent share of the nationwide job losses from announced cutbacks.

There are encouraging signs, however, that many areas of the state are beginning to successfully overcome the negative impact of the defense cuts. For example, prior to its closure, it was estimated that Fort Ord was responsible for nearly 20 percent of Monterey County's economic activity. However, job losses over the last five years generally have been less than expected, and in 1996, the county's 4-percent employment growth was third highest among the state's 17 largest metropolitan areas.

State government employment grew a modest 0.6 percent, driven by gains in colleges and universities. The number of jobs in local government increased by 1.5 percent. Almost 22,000 jobs were added to local schools, partially as a result of class size reduction. Employment in county government fell by 1.3 percent.

TRAVEL AND TOURISM

Travel and tourism in California posted a strong increase in 1996. Spending by visitors in California grew by 4.8 percent, increasing to \$57.8 billion from \$55.2 billion in 1995. Last year's increase was the largest in five years.

Travel is not a separate, distinct industry like food processing or aerospace. Instead, it is an activity that cuts across many industries. Travel-related industries include hotels, air transportation, retail, amusements, and restaurants. Tourism-related employment increased 4.5 percent to 689,000 in 1996, adding 31,000 workers over 1995 levels. Tax revenues related to California tourism also increased, with an overall gain of 4.1 percent, or \$100 million.

While 1996 California travel spending rose, the state's overall percentage of U.S. travel and tourism continued to drop, in part due to aggressive marketing by other states. In 1996, 10.5 percent of U.S. travelers vacationed in California, a drop from 12.3 percent in 1989. However, travel received a marketing boost in 1996 with the passage of the California Tourism Marketing Act, which will raise \$25 million in private funding to promote tourism, tripling the amount of funding currently available—without using taxpayer dollars.

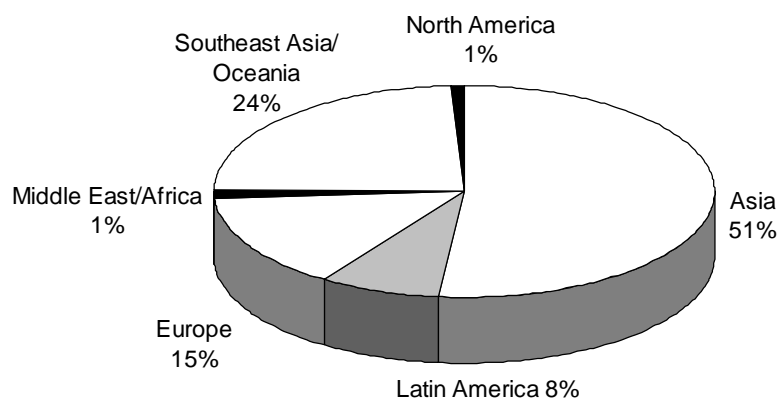
INTERNATIONAL TRADE

California's strong position in international trade continues to be a major engine of economic growth. Against a backdrop of a rising U.S. dollar against most foreign currencies and weak economic growth of many major trading partners, a softening of trade—particularly exports—might have been expected. While the trade figures for some countries reflect this, the overall results for 1996 exceeded expectations. For the third year in a row, exports from California ports grew more quickly than imports, and exports from the state outpaced growth in U.S. exports. Total trade volume—imports and exports—was just under \$300 billion last year, a 4.3-percent increase from a year earlier.

Port Activity. The most widely used trade data come from the value of exports and imports that move through ports, regardless of where exports were actually made or where imports are consumed. Ports of entry and exit include those serving air, land, and water-borne traffic to other countries.

FIGURE IV-6

Exports From California Ports by World Region, 1996
Total Exports = \$124.1 billion



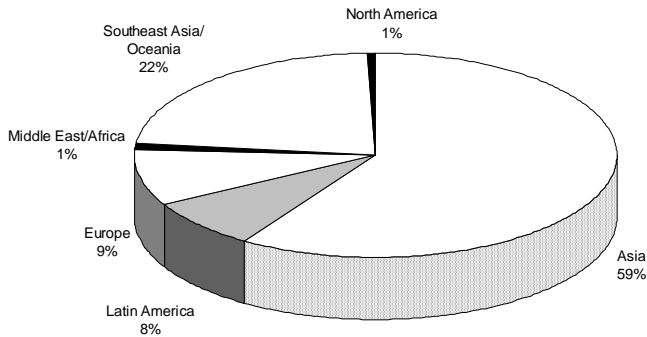
As a measure of economic activity, these data relate to jobs in the ports themselves, transportation to and from the port, and supplier industries.

In 1996, California's ports demonstrated impressive growth. While not matching the double-digit gains of the last two years, exports grew by 6.3 percent while imports grew by 2.9 percent.

Export growth is particularly encouraging, given not only the strong U.S. dollar, but also that Japan—California's most important export

FIGURE IV-7

Imports Into California Ports by World Region, 1996
Total Imports = \$170.0 billion



customer—has experienced weak economic growth over the last year, as has our third most important destination, South Korea. Despite this, exports to both Japan and Korea grew by almost 10 percent in 1996.

The biggest growth, however, came in exports to China and Mexico. The mainland Chinese economy is among the fastest growing in the world, and trade with China has become an increasingly important part of America's trade. California is uniquely positioned to capture an important part of that commerce, as demonstrated by China's second-

place ranking in total trade volume through California ports, up from fourth the year before.

Exports to Mexico grew by 27 percent last year. A solid turnaround in the Mexican economy, following the devaluation of the Peso in the early 1990s, is fueling this growth.

Mixed results are seen in the rest of the export data, with strong growth in exports to Singapore, the Philippines, Indonesia, and Canada offsetting weakness in exports to Taiwan, Malaysia, Hong Kong, and most of Europe.

Imports reflect much the same pattern as exports, except that imports from Japan and the Republic of Korea fell, while shipments from most of the other major sources increased. In dollar terms, imports from China rose the most. In percentage terms, Mexico, Malaysia, Singapore, the Philippines, and Western Europe posted significant gains.

The types of goods being exported reflect the strengths of the California economy. The leading category was electrical and electronic goods (over a quarter of exports), an industry that ships well over a third of its U.S. exports through California ports. Heavy industrial equipment, instruments, aircraft, and vehicles contribute large shares to California exports. Meats, tree crops, and cotton are major agricultural exports from California, and the state ships about 40 percent of total U.S. volumes of these commodities.

FIGURE IV-8

California Trade by Major Country, 1996
(Dollars in Millions)

	Exports		Imports		Net Position	Total Value of Trade
	Amount	95-96 Percent Change	Amount	95-96 Percent Change		
Total, all countries	124,120	6.3%	169,981	2.9%	-45,861	294,101
Japan	30,880	9.6%	47,074	-8.0%	-16,194	77,954
China	4,175	18.2%	21,115	14.3%	-16,940	25,290
Korea, Republic of	12,596	9.7%	12,421	-11.0%	176	25,017
Taiwan	8,868	-3.2%	14,595	2.7%	-5,727	23,463
Singapore	9,377	9.9%	13,447	14.6%	-4,070	22,824
Mexico	7,702	27.1%	10,363	19.5%	-2,662	18,065
Malaysia	5,138	-9.4%	10,261	2.5%	-5,123	15,399
Hong Kong	6,726	-5.1%	3,146	-5.2%	3,580	9,872
Thailand	3,219	0.2%	5,904	3.8%	-2,685	9,123
Philippines	3,803	19.0%	3,871	31.4%	-67	7,674
United Kingdom	4,731	5.5%	2,759	11.4%	1,972	7,489
Germany	3,503	-2.3%	3,922	2.3%	-419	7,425
Australia	5,492	9.5%	889	18.0%	4,603	6,381
Indonesia	1,668	19.1%	2,969	24.6%	-1,301	4,636
France	1,972	6.7%	1,750	0.5%	222	3,723
Netherlands	2,448	-14.6%	705	9.5%	1,744	3,153
Italy	852	-27.3%	1,836	9.6%	-984	2,688
Canada	905	9.8%	1,131	3.1%	-227	2,036

Source: U.S. Bureau of the Census

The top import commodities are remarkably similar to the top export goods. This reflects the increasing importance of intermediate goods in world trade. Intermediate goods are parts and assemblies produced by one company that are used in production by other companies to make final goods that are sold to consumers. Typically, industry data do not distinguish between intermediate and final goods. As a result, there are large two-way trade totals in several key industries—such as the electric machinery, stereo, and television groups—which top both the export and import industry trade rankings.

Circuit boards, for example, are made in one country and installed into computers in another. In fact, components of the circuit board may have been made in a third country, the board in a fourth and the glue in a fifth. International trade is often viewed as the purchase and sale of raw commodities (like oil) and final goods (like computers). International trade is becoming increasingly sophisticated and is far more complex than is generally understood. Because of this complexity, efforts to redirect or limit trade flows—as to protect home markets from foreign competition—are becoming increasingly difficult and are virtually certain to result in unintended consequences.

Made in California. An alternate foreign trade measure, available for exports only, tracks goods from the state of manufacture or origin. This method provides information on the location and types of jobs associated with the exports of goods. Many export-oriented industries are high-wage, growth-oriented industries. Thus, the level of exports in these industries often leads to growth in supplier industries and the rest of the economy.

There are important similarities and differences in both the composition and destination of California-made exports, as compared to goods that flow through the state's ports. Japan is the leading destination both for total port shipments and for California-made goods. Many of the same

FIGURE IV-9

Billion Dollar Exports and Imports Through California Ports, 1996 (Dollars in Millions)

Exports	Value	Percent of U.S. Exports	Imports	Value	Percent of U.S. Imports
Electric Machinery, Stereo, Television	35,200	36.2%	Electric Machinery, Stereo, Television	47,692	41.6%
Boilers, Machinery, and Parts	28,410	23.1%	Boilers, Machinery, and Parts	47,399	36.4%
Instruments: Optical, Photographic, Medical	7,772	25.5%	Vehicles except Railway or Transit	14,495	13.7%
Aircraft, Spacecraft, and Parts	5,375	16.5%	Instruments: Optical, Photographic, Medical	5,895	24.8%
Vehicles except Railway or Transit	5,213	9.4%	Toys, Games, and Sports Equipment	5,673	40.6%
Plastics and Plastic Articles	4,103	20.2%	Footware	4,556	35.7%
Meat and Edible Byproducts	2,560	39.2%	Apparel, other than knitted	3,988	17.4%
Fruits and Nuts	2,036	49.1%	Apparel, knitted	3,004	19.9%
Cotton and Cotton Yarn and Fabric	1,818	46.9%	Furniture, Lamps, and related	2,555	21.3%
Organic Chemicals	1,772	11.0%	Plastics and Plastic Articles	1,903	14.7%
Oil and other Mineral Fuels	1,533	12.5%	Oil and other Mineral Fuels	1,745	2.4%
Miscellaneous Chemicals	1,476	17.4%	Rubber and Rubber Articles	1,705	20.9%
Toys, Games, and Sports Equipment	1,460	36.4%	Fish, Crustaceans, and Invertebrates	1,622	28.9%
Tobacco and Manufactured Substitutes	1,359	20.4%	Leather Goods	1,479	27.2%
Inorganic Chemicals	1,299	25.5%	Precious Stones, Minerals, and Metals	1,337	7.8%
Pharmaceuticals	1,076	19.2%	Iron and Steel	1,210	9.2%
Paper and Paperboard Articles	1,022	10.0%	Fabricated Iron and Steel	1,151	12.1%
			Organic Chemicals	1,127	6.8%
Total, all commodities	124,120	19.9%	Total, all commodities	169,981	21.5%

Source: U.S. Bureau of the Census

commodities that are shipped from California are made here as well—electronics products, aerospace vehicles and parts.

There are some striking differences as well, the most dramatic relating to California exports to Canada. Exports shipped directly to Canada from the state's air and sea ports total less than \$1 billion in value, with the remainder shipped overland (most commonly via Washington state, Michigan or New York). But when *total* exports are identified by source, California ships over \$11 billion worth of goods to the north. Canada rises from 18th place in port activity to 2nd place in the "made-in-California" data. Despite ongoing weakness in the Canadian economy, the value of exported Californian goods rose nearly 15 percent in 1996.

Exports to Mexico increased by 23 percent in 1996—reflecting newfound strength in the Mexican economy. As this NAFTA (North American Free Trade Agreement) partner grows, their demand for high-quality consumer goods and state-of-the-art intermediate goods made in California should continue to grow.

South Korea and Singapore are important consumers of goods made in California. Both demonstrate strong year-to-year growth, and should continue to be important export markets creating jobs for Californians.

European results are mixed, reflecting strength in the British economy and the effects of structural change that Germany is imposing on its economy in preparation for membership in the European Monetary Union.

Among commodities, it is not surprising that agricultural products—especially fresh fruits and vegetables—rank much higher in the state-of-origin data than in the port figures. Canada and Western Europe are major consumers of California-grown fruits, nuts, and winter vegetables.

Overall, exports of California-made goods totaled \$104 billion last year, one-sixth of total U.S. exports. If the figures for service exports are added to these goods, that share rises. Total 1996 U.S. services exports—for example: software, entertainment, and business services such as engineering and management consulting—were \$224 billion. Even if California's share of service exports were just equal to its share of goods exports (a conservative assumption, given the importance of entertainment, software, etc. in California), this would add \$38 billion to the state total, bringing exports of goods and services to \$142 billion.

FIGURE IV-10

Top Ten California Export Markets, 1996
State of Origin Basis : Made In California
(Dollars in Millions)

	Amount	Rank in Made in California Data	Percent Change 1995 to 1996	Shares of California Exports	Rank in Port Activity Data
Japan	18,922	1	14.0%	18.1%	1
Canada	11,100	2	14.7%	10.6%	18
Mexico	9,059	3	23.0%	8.7%	6
Korea, Republic of	8,781	4	12.7%	8.4%	3
Singapore	5,931	5	16.2%	5.7%	5
Taiwan	5,602	6	-4.2%	5.4%	4
United Kingdom	5,062	7	8.5%	4.8%	11
Germany	4,156	8	-1.0%	4.0%	12
Hong Kong	3,622	9	-4.1%	3.5%	8
Malaysia	3,190	10	-15.8%	3.1%	7
Total, all countries	104,459			100.0%	

*Source: U.S. Bureau of Census data refined by the Massachusetts
Institute of Social and Economic Research (MISER)*

V. FOCUS ON HOMEBUILDING

Throughout the post-World War II era, housing has been the most cyclical of industries—the first to feel the impact of rising interest rates as an upturn reaches its peak, and among the first to respond to falling interest rates when the economy nears a recession low. But that has not been the case in California in the 1990s. Over the past five years, new home construction has averaged less than 90,000 units a year, a far cry from the quarter-million unit annual volume seen in the late 1980s.

With a housing stock of over 11 million units, the state needs to construct at least 100,000 new houses annually just to replace those that are destroyed, abandoned or converted to other uses. The lack of a homebuilding recovery is probably the most unusual feature of this upturn, which once underway, has been quite vigorous in most other respects.

Interest rates, which usually call the tune in the housing sector, have been near 20-year lows since the early 1990s. Sales of existing single-family homes have fully rebounded, although prices in most areas of the state remain weak. A noticeable pickup in new construction, which usually closely follows gains in existing home sales, has simply not materialized. What has happened to homebuilding?

FIGURE V-1

California Housing Permits, 1950 to 1996

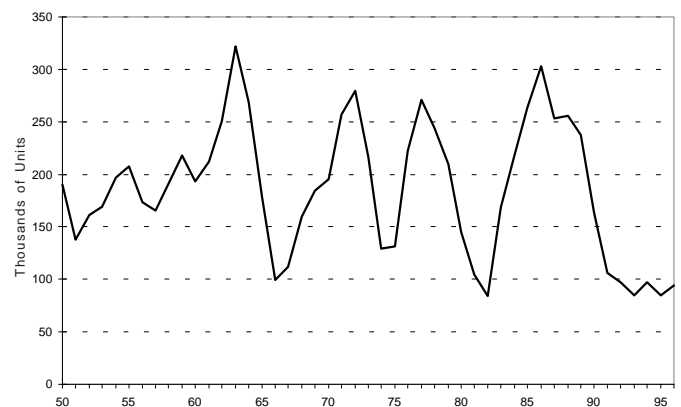
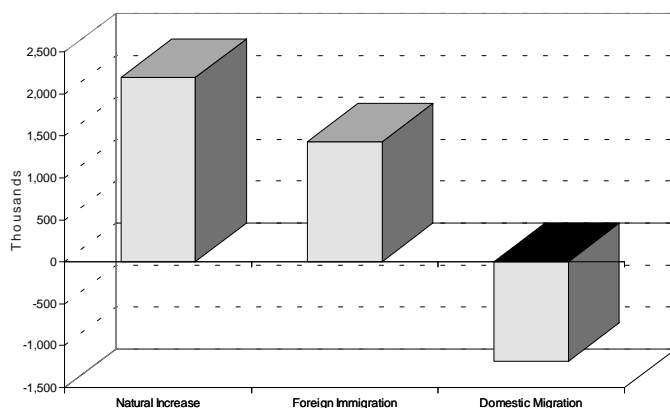


FIGURE V-2

Composition of California Population Growth, 1990 to 1996



There are several fundamental reasons for this lag in new construction.

Demographic Shifts. Although the state's population has continued to grow throughout the 1990s, the composition of growth has been unfavorable for homebuilding. Between 1990 and 1996, the state added more

than 2.4 million new residents. Natural increase—the excess of births over deaths—accounted for almost 2.2 million of that total. More than 1.4 million foreign immigrants settled in the state. But California saw a net out-migration to other states of nearly 1.2 million.

Most of the state's population gain, therefore, is accounted for by natural increase, with immigrants little more than replacing the domestic out-migration. Natural increase, by itself, creates little net housing demand (it often influences the *type* of housing required). In addition, the immigrants who replaced the out-migrants on average use the housing stock more intensively than native-born residents—in immigrant households, extended families are more likely to occupy a single unit.

A second demographic factor relates to the age-distribution of the population. The number of young adults (aged 25 to 34) is actually declining during the 1990s, in contrast to gains of almost 60 percent in the 1970s and nearly 35 percent in the 1980s. This decline is only related in part to the slowdown in overall population growth. The main factor is the sharp drop in the number of births between the mid-1960s and the mid-1970s—the so-called “baby bust” generation.

Young adults are the prime household-forming age-group—whether through marriage or simply leaving the parents' home—and this group is therefore a key factor in gauging overall housing demand. The impact of this drop hit the apartment market first, resulting in persistently high vacancy rates in many areas—and consequent downward pressure on rents.

Younger households, when they enter the homeownership market, also provide the means for older families to move up the housing ladder into larger, more expensive homes. Move-up buyers usually sell their existing house, often at a tidy profit, in order to pay for the new dream home. The combination of a shrinking young-adult population and persistent out-migration have combined to reverse the late-1980s spike in existing home prices.

FIGURE V-3

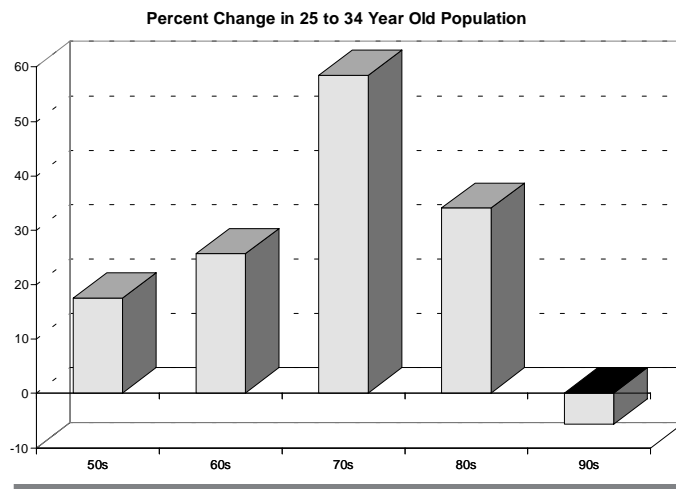
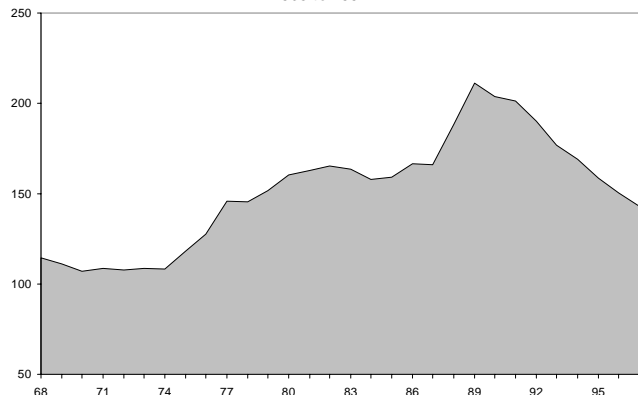


FIGURE V-4

**Ratio: California to U.S. House Prices
1968 to 1997**



The implications of these price movements are painful in the short-run, but may be quite positive over the longer pull. The combination of stable rents and falling home prices has virtually eliminated any investment incentive for young households to take the homeownership plunge, a fact which may place additional downward pressure on prices.

The declines have also left a segment of the home-owning population (mainly those who bought in the late 1980s and early 1990s) with “negative equity”—a house that has a market value below the mortgage balance. The recognition of this negative equity position is probably the main factor behind the continued high level of default notices, foreclosures and short sales (essentially

an agreement with the lender to reduce the home price to less than the mortgage balance) in most areas of the state.

Based on California Association of Realtors (CAR) data, median sales prices have declined from a peak of over \$200,000 in 1989 to \$177,000 last year. With house prices nationally continuing to rise, the gap between California and U.S. average prices has narrowed from more than 210 percent of the national average in 1989 to 150 percent last year and only 143 percent in the first quarter of 1997.

It is the narrowing of the California to U.S. price ratio that ultimately will have a positive effect on the state's economy. Clearly, house prices that reached more than twice the national average in the late 1980s were a barrier to economic growth. At 140 to 150 percent of the U.S. average, California is by no means "cheap", but it is quite competitive.

Indeed when overall homeownership and operation costs are considered—including property taxes and utilities—the gap between housing costs in California and other parts of the nation is narrowed even further. And, many inland areas of the state, including Riverside-San Bernardino, Napa-Solano as well as Sacramento and the entire Central Valley, have median home prices at or often even below the nationwide average.

Signs of Recovery. The ongoing strength of the existing home market is perhaps the most encouraging sign of pending recovery in the new home sector. In 1996, more than 505,000 existing units changed hands, according to CAR, the largest figure since 1989. The combination of strong job growth, low interest rates and stabilizing prices is helping foster this upturn in the existing home market.

In the Bay Area, there are unmistakable signs of not just recovery, but boom-like conditions in residential markets, especially in the San Jose, San Francisco and recently the Oakland metropolitan areas. In San Francisco and San Jose, both home prices and rents are up strongly, and available rental units are virtually nonexistent in the city and Silicon Valley. Stories of overnight campouts for rental units, and cash offers of a year's advance rent are commonplace on the west side of the Bay.

New construction is responding to the intense demand. Housing permits in the Bay Area were up 35 percent last year, the largest gain of any major region in the state. In Silicon Valley (Santa Clara County), permits jumped 115 percent. The trouble is that the county's 7,500 permits amounted to only one housing unit for every seven new jobs last year.

The housing-to-jobs ratio was even worse in the San Francisco metro area (including Marin and San Mateo counties), where the 3,275 units placed under construction will provide fewer than one new unit for every ten new jobs created last year. In other words, despite what appears to be a strong housing upturn in the Bay Area, housing queues got longer, not shorter, in 1996.

Southern California experienced a solid 11-percent increase in homebuilding, slightly better than the statewide 10-percent gain. Orange County saw the strongest growth, with 23 percent, and its total volume of 10,200 units was the largest of any county in the state.

Trends in the Central Valley were mixed, with Modesto up 18 percent (mainly reflecting spillover from neighboring Silicon Valley) and Sacramento up 12 percent, reflecting the strongest job growth in the Valley. However, the total of Central Valley metro areas registered a 3-percent decline in units last year. The state's rural counties experienced a 15-percent drop in new house construction last year.

Steady Gains. The outlook is for steady, if unspectacular, gains in homebuilding activity over the next two years. Strong demand will persist in the Bay Area, but so will the obstacles to housing, including a scant supply of easily developed land, local opposition to high-density apartment and duplex units and a public preference for detached single-family homes, the majority of which can only be built in adjacent areas such as Stanislaus, San Joaquin, and San Benito counties, where land is more plentiful (and commutes are often in excess of two hours each way).

Solid job gains point to continued growth in most areas of Southern California, especially in Orange County, where the low jobless rate implies a labor shortage, and in adjacent Riverside County from which Orange County draws workers. Likewise, San Diego's economy should create a growing demand for housing in 1997 and 1998.

In the Central Valley, Sacramento's housing market will benefit from continued growth in the area's high-tech manufacturing base, and the Northern San Joaquin Valley will again provide a safety valve for the overheated Santa Clara County market.

In broader terms, with statewide job growth continuing in the 350,000 to 400,000 per year range, domestic migration is beginning to stabilize. Apartment demand will soon get a boost from increasing numbers of 18 to 24 year olds. Against these positive forces, interest rates will be creeping up this year and next, although the rise should not be sufficient to derail a solid, jobs-based housing market.

Thus, 1997 should see modest improvement to around 105,000 to 110,000 units of new housing, with a further increase to 120,000 units in 1998. Demographic forces all but rule out, in the next few years, a return to the quarter-million unit years of the late 1980s. But the worst is clearly over for the state's homebuilders. The fundamentals of housing demand will be improving year by year for the foreseeable future.

FIGURE V-5

Permits Issued for New Housing Units California Metropolitan Areas, 1996

Area (county)	Single Family Units		Multi-Family Units		Total Housing Units	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
Bakersfield (Kern)	2,393	-11.4%	419	-30.4%	2,812	-14.9%
Chico-Paradise (Butte)	530	-8.6%	62	-18.4%	592	-9.8%
Fresno (Fresno, Madera)	3,579	-3.0%	501	-60.2%	4,080	-17.5%
Los Angeles-Long Beach (L.A.)	5,369	-0.6%	3,221	7.2%	8,590	2.2%
Merced (Merced)	837	9.4%	34	-66.7%	871	0.5%
Modesto (Stanislaus)	1,329	1.7%	99	147.5%	1,428	6.0%
Oakland (Alameda, Contra Costa)	6,239	12.6%	1,211	58.3%	7,450	18.2%
Orange (Orange)	7,074	24.9%	3,131	18.7%	10,205	23.0%
Redding (Shasta)	578	-10.9%	190	54.5%	768	-0.5%
Riverside-San Bernardino*	11,724	10.0%	789	223.4%	12,513	14.8%
Sacramento**	7,422	8.4%	781	67.2%	8,203	12.1%
Salinas (Monterey)	1,148	2.9%	332	60.4%	1,480	11.9%
San Diego (San Diego)	5,816	22.8%	1,052	-43.8%	6,868	3.9%
San Francisco***	1,187	2.3%	2,088	53.9%	3,275	30.1%
San Jose (Santa Clara)	4,043	83.9%	3,459	169.2%	7,502	115.3%
San Luis Ob.-Atasc.-Paso Rbl. (SLO)	1,101	20.1%	44	-35.3%	1,145	16.2%
Sta. Barb.-Sta.Maria-Lompoc (Sta.Barb.)	695	14.9%	80	-57.2%	775	-2.1%
Santa Cruz-Watsonville (Santa Cruz)	385	1.6%	151	21.8%	536	6.6%
Santa Rosa (Sonoma)	1,389	-13.5%	75	-76.7%	1,464	-24.0%
Stockton-Lodi (San Joaquin)	2,173	0.8%	220	33.3%	2,393	3.1%
Vallejo-Fairfield-Napa (Napa, Solano)	1,407	13.0%	561	201.6%	1,968	37.5%
Ventura (Ventura)	2,130	9.0%	217	2.4%	2,347	8.4%
Visalia-Tulare-Porterville (Tulare)	1,341	-4.1%	87	-73.5%	1,428	-17.3%
Yolo (Yolo)	680	16.6%	118	-6.3%	798	12.6%
Yuba City (Sutter, Yuba)	398	-24.9%	8	-87.5%	406	-31.6%
	70,967		18,930		89,897	
Remainder of State	3,900	-9.4%	406	-48.1%	4,306	-15.4%
State Total	74,867	9.0%	19,336	16.5%	94,203	10.4%

* Riverside, San Bernardino

** El Dorado, Placer, Sacramento

*** Marin, San Francisco, San Mateo

Source: Construction Industry Research Board

VI. RESOURCE INDUSTRIES

AGRICULTURE

California is considered to have the most diversified agricultural economy in the world, producing more than 250 crop and livestock commodities. Production last year totaled an estimated \$22.6 billion, based on still incomplete information. During 1995—the latest year for which complete information is available—California led the U.S. in the production of more than 75 agricultural products, including dairy, peaches, carrots, broccoli, celery, lettuce, nectarines, strawberries, and tomatoes.

The heavy rains and flooding in January 1997 caused extensive damage—estimated at nearly \$300 million—to some of California's prime farming regions. Infrastructure damage, along with the impact of flooding to land, private levees, farm equipment, buildings, and irrigation systems, appear to be most significant at this time. However, the broad impact of flood damage to the state's agricultural production is expected to be minimal.

Production. Agricultural production in California soared to a record \$22.1 billion during 1995. Production totals for 1995 reflect cash farm receipts for agricultural products, and represent a \$2 billion increase from initial 1994 estimates. California's agricultural production is now nearly double Texas' \$13.3 billion and exceeds the combined totals of the next two leading farm states: Iowa—with \$11.0 billion and Nebraska—with \$8.7 billion.

The state's leading billion-dollar agricultural products include milk and cream with receipts of \$3.1 billion, grapes (\$1.8 billion), nursery products (\$1.5 billion), cattle and calves (\$1.3 billion), and cotton lint (\$1.1 billion). These are followed by lettuce, almonds, hay, processing tomatoes, and flowers. California is also the sole U.S. producer of consumer favorites such as almonds, dates, kiwi, pistachios, raisins, and walnuts. Many of the

FIGURE VI-1

California's Leading Agricultural Commodities, 1995

Commodity	Value \$ Million	Percent Change
Milk and Cream	3,078	4.4%
Grapes	1,839	7.4%
Nursery Products	1,500	16.7%
Cattle and Calves	1,290	-9.7%
Cotton Lint	1,063	-6.6%
Lettuce, Head	987	41.2%
Almonds	858	-11.1%
Hay	847	-0.7%
Tomatoes, Processing	672	2.4%
Flowers and Foliage	672	-4.1%
Strawberries	552	-14.8%
Oranges	458	-1.1%
Chickens	384	2.7%
Broccoli	318	4.6%
Walnuts	314	35.3%
Rice	309	7.7%
Eggs, Chicken	288	12.9%
Carrots	287	25.9%
Celery	246	26.8%
Cantaloupe	237	32.4%

Source: California Department of Food & Agriculture

commodities that had decreased sales in 1995 were affected by the heavy rains and flooding in early 1995, especially strawberries and almonds.

During 1995, California also remained home to eight of the top ten agriculture-producing counties in the U.S. and ten California counties for the first time produced more than \$1 billion each. These counties include Fresno with receipts of \$3.2 billion, Tulare (\$2.6 billion), Monterey (\$2.0 billion), Kern (\$2.0 billion), San Joaquin (\$1.2 billion), Merced (\$1.2 billion), Riverside (\$1.2 billion), Stanislaus (\$1.1 billion), San Diego (\$1.1 billion), and Imperial (\$1.0 billion).

Exports. Not only is California the national leader in agricultural production, it continues to be number one in food and agricultural exports. Agriculture is one of the few U.S. industries to enjoy a positive trade balance, with California representing more than 20 percent of total U.S. agricultural exports. The state's agricultural exports remained at record levels during 1995, with a value of \$11.72 billion—the second largest export year for agricultural products in California history.

While down slightly from the \$11.76 billion record reached in 1994, gains were posted in 7 of California's top 10 export markets. Japan led the way, accounting for 25 percent of total exports, followed by Canada, the European Union, Korea, and Hong Kong. Pacific Rim countries accounted for 55 percent of all California exports, totaling \$6.4 billion, an increase of \$800 million from 1994.

Beef, with exports valued at \$993 million and cotton (\$799 million), continued as California's top export products, followed by grapes, almonds, fish and seafood, and oranges. The greatest increases of major product groups included poultry and eggs, which increased by 43 percent, pistachios (33 percent), fish (32 percent), dairy (27 percent), and lemons (27 percent).

California agriculture can look forward to the 21st century as the most productive, most diverse, most environmentally beneficial, and most technologically advanced agricultural economy the world has seen. Still, California agriculture's primary challenge remains how to best position itself to maintain a competitive position in the global markets of tomorrow.

Aside from changes brought forward by technological advancement and globalization, California agriculture will be challenged by other issues. Some of these include food safety, urbanization, and the impact of the Endangered Species Act. Resource-related issues—water, land, air, and the ability to use other production tools—will also play a part in determining continued success.

Water is a major resource concern for agriculture. In some years, there is too much—as evidenced by the floods of 1995 and 1997. In other years, there is too little, and the state remembers the impact of a drought. Even in “normal” rainfall years, water is becoming more of a concern, as increasing California urban water demand taxes the fixed water delivery capacity in the state, and as increased water demand in Arizona removes Colorado River water from California users.

Urban Encroachment. California's privately owned agricultural lands and related open spaces are protected from premature urban encroachment by the California Land Conservation Act, otherwise known as the Williamson Act. The protection of productive agricultural lands from premature development helps ensure that the growth of urban areas is planned more efficiently, leading to a more cost-effective delivery of most public services. Speculation-driven property tax burden on agricultural lands is reduced helping keep established farmers and ranchers in business so they can continue to support the economic viability of their rural communities. Farmers and ranchers feel more confident investing in improvements to agricultural infrastructure with the mid-range certainty that their land will continue in agricultural production.

The Williamson Act is unique in its emphasis on voluntary, incentive-based participation and local control. Within participating local jurisdictions, landowners may choose to restrict their land to agricultural and open space use by entering into ten-year rolling term contracts. In return, contracted land is assessed at a rate consistent with the restrictions. Local jurisdictions receive a partial subvention of forgone property tax revenues from the state.

FORESTRY

The environment for forest management and timber production in the state continues to evolve, presenting ongoing challenges for land managers and public agencies alike. Total timber harvest levels in the state continue to decline, driven in large measure by the reduced availability of timber from federal lands.

From 1991 through 1995, total state harvest levels declined by 27.3 percent. The public land share of the harvest has fallen from 35 percent in 1991 to 16.3 percent in 1995. Declines in harvest on federal lands are due in large part to environmental protection measures, such as those for the Northern and California spotted owls, as well as changing public values and federal land management goals. Total value of the timber harvest in 1995 was \$945 million, as compared to \$1,103 million in 1994—a 14.3-percent decrease.

Year-end 1996 employment levels in the forest products industry were higher than year-end 1995. December 1996 non-seasonally adjusted employment was 91,000 jobs in the forest products industry—50,700 jobs in lumber and wood products and 40,300 in paper and allied products—0.4-percent higher than a year earlier. Looking separately at the two major sectors in the industry, employment in lumber and wood products increased by 0.8 percent, while employment in paper and allied industries remained steady. The drastic decline in federal timber harvest has contributed to the closure of many lumber mills in the state and is driving consolidation in California's forest products industry.

Federal Forest Policy. Federal forest policy—which focuses on ecosystem management and restoration of more natural fire regimes—continues on a path that is not likely to result in a significant rebound in timber harvest on California's national forests. While the federal government is moving forth with a major new emphasis on fuels reduction as part of restoring the fire-adapted environments on the national forests, the emphasis appears to be focused on the removal of small trees with little or no lumber production value.

One aspect of ecosystem management is the protection of endangered species. The species with the largest impact on California forestry are the California spotted owl, the northern spotted owl, and the coho salmon. The federal government has delayed the release of rules for the management of national forestlands for the protection of the Northern and California spotted owls.

Both the state and federal governments have listed the coho salmon under their respective endangered species acts. Listing of coho salmon has affected landowners by increasing the tree retention requirements for timber harvests adjacent to streams occupied by coho salmon.

State Forest Policy. Over the past five years, the legislature, the State Board of Forestry, and Department of

FIGURE VI-2

California Timber Harvest Levels Million Board Feet, 1991 to 1995

Year	Private Land Harvest		Public Land Harvest		Total Harvest
	Volume	% of total	Volume	% of total	
1991	2,059	65.0	1,109	35.0	3,168
1992	2,124	71.8	835	28.2	2,959
1993	2,263	78.8	608	21.1	2,871
1994	2,014	85.5	342	14.5	2,356
1995	1,929	83.7	375	16.3	2,304

Source: State Board of Equalization.

Forestry and Fire Protection have worked together to create new planning mechanisms to reduce the regulatory process requirements faced by forest landowners, while at the same time improving planning and management for the long-term sustainability of forest health and productivity. These new planning tools—called Nonindustrial Timber Management Plans, Sustained Yield Plans, and Program Environmental Impact Reports for Timber Harvesting Plans—can also be combined with habitat conservation plans to ensure compliance with the Federal Endangered Species Act for the protection of listed species such as the marbled murrelet and the northern spotted owl.

The state and federal governments are working together to acquire 7,500 acres of redwood forest (approximately 3,100 acres of old growth forest and 4,400 acres of second growth and recently cut-over land) in Humboldt County. This joint effort seeks to acquire the Headwaters Forest and adjacent forestland for public ownership and protection through a purchase and asset transfer arrangement.

The Board of Forestry and Department of Forestry have made significant efforts over the past two years to update their wildland fire protection plan for the state. The 1996 California Fire Plan seeks to reduce the costs and losses associated with large, damaging wildfires by placing more emphasis on carefully developed programs of pre-fire management (including prescribed fire and other fuels reduction, fire-safe engineering, land use planning, and fire prevention). With the growing fire risks faced on our wildlands and in the wildland/urban interface, and with the great breadth and significance of the natural resource and human assets that are at risk to wildland fire, this new approach is critical to minimizing suppression costs and damage losses.

Sierra Nevada Ecosystem Project. The Sierra Nevada Ecosystem Project (SNEP) completed its work and issued its final report in 1996. SNEP, commissioned by Congress in 1994 to examine the health of the Sierra Nevada ecological, social, and economic systems, provides the most comprehensive view to date of the Sierra Nevada region. Its findings provide information that may lead to new direction for the management of the natural resources of this important California region. In addition to its reports, SNEP leaves behind the legacy of a massive computer geographic information database that will be valuable to landowners, agencies, and others interested in the Sierra Nevada.

MINING

Non-Fuel Production. In 1996, California ranked third among the states in non-fuel mineral production, accounting for approximately 7 percent of the U.S. total. Last year, mineral production amounted to \$2.8 billion, a 9-percent increase from the previous year. Production of at least 25 types of industrial minerals in the state accounted for about 88 percent of the total value, led by sand and gravel, portland cement, and boron minerals. Metals—primarily gold—accounted for the other 12 percent.

California remained the nation's only producer of boron, rare earth concentrates, and tungsten; and continued to lead the nation in the production of sand and gravel, portland cement, diatomite, natural sodium sulfate, and asbestos.

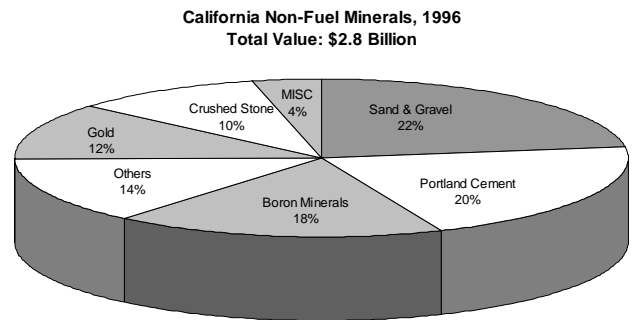
California ranked second in gold production with about 836,000 troy ounces produced. Other important minerals produced in the state include soda ash, hectorite clay, perlite, potash, pumice, bentonite clay, feldspar, kaolin clays, gypsum, talc, pyrophyllite, and common clay.

Oil, Gas, and Geothermal Resources. California continues to rank fourth among the states in crude oil production. In-state crude oil production includes on-shore sources (74 percent), federal off-shore sources (20 percent), and state waters (6 percent). California's total onshore and offshore

oil production decreased during 1996 to 347.0 million barrels, compared to 351.3 million barrels in 1995. However, onshore oil production increased for the first time since 1985.

California is one of 33 states that produce natural gas, ranking tenth in overall production in the U.S. Slightly over 16 percent of California natural gas production is from resources located in state and federal offshore waters. Sixty-five percent of the total production is associated with crude oil production.

FIGURE VI-3



The remainder is nonassociated or dry gas production. California's production meets 14 percent of the state's natural gas needs. Net natural gas production increased to 293.0 billion cubic feet in 1986—a 0.8-percent increase from 290.8 billion cubic feet production in 1995.

California remained the world leader in the amount of electricity produced from geothermal resources.

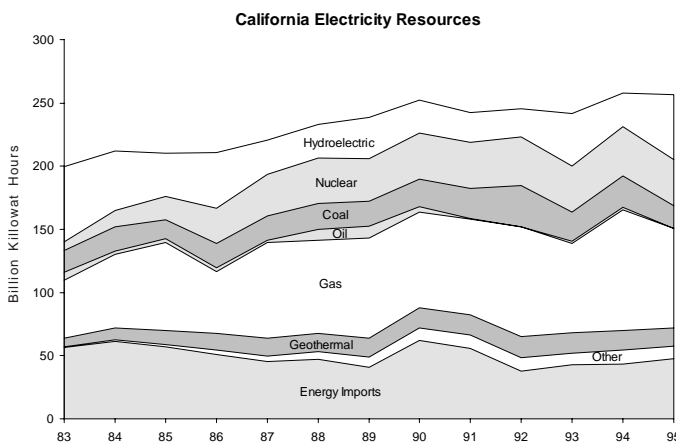
ENERGY

Over the past several years, California has seen significant changes in its energy industry. Competitive forces have created changes in the petroleum, natural gas, and electricity markets. More changes are expected in the electricity industry when deregulation is complete and market forces take over.

Like the rest of the nation, California is dependent upon reasonably priced, reliable energy to continue to realize economic growth while still enjoying a comfortable lifestyle. Every sector of our society from agriculture to transportation, industrial, commercial, and residential uses energy,

either directly as fuel or more indirectly after processing as electricity. Energy is big business in California—with California businesses and households spending over \$50 billion on all forms of energy in 1996.

FIGURE VI-4



Electricity. Substantial elements of the electricity industry are being deregulated and turned over to competitive market forces. The past year has seen substantial downsizing in the state's larger utilities as they try to streamline their operations and cut costs to ready themselves for the new competitive market—expected to be operational by January 1998. Residential and small commercial customers will see an immediate 10-percent

reduction in their rates and an increasing number of all customers will be able to negotiate directly with private suppliers of electricity. The move from a regulated environment to a competitive market is expected to stimulate the economy, as new products and services emerge along with companies to provide for those products and services. It is anticipated that the new competitive market will put downward pressure on electricity prices, which will make business expansion in the state more attractive.

Fueled by economic expansion, consumption of electricity in California grew in 1996 and is projected to grow by another 19 percent in the next ten years to reach a total in the year 2006 of over 292 billion kilowatt hours. This demand is met by nearly 2,000 power plants from Mexico to British Columbia.

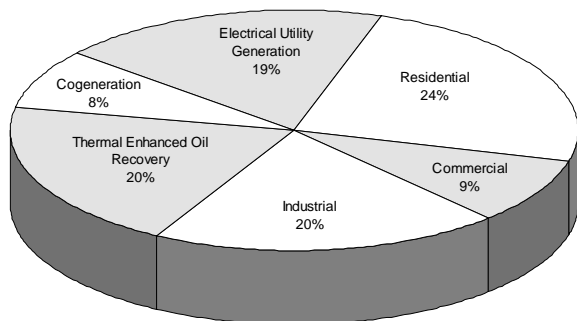
California utilities produced 58 percent of the state's electricity consumed in 1995, imported another 19 percent and purchased 23 percent from independent power producers. While the state's resource mix for electrical generation is one of the most diverse in the nation, natural gas continues to gain as the fuel of choice. In 1995, natural gas fueled 34 percent of California's resource mix (including a portion of energy imports). Hydroelectric resources supplied another 26 percent (including a portion of energy imports), while renewable resources comprised another 9 percent of the total resource mix.

Natural gas. State energy policy advocates a "let the market decide" policy for determining the need for additional natural gas pipelines. This policy has proved to be very beneficial. Three major pipelines were constructed between 1991 and 1993 to transport supplies from outside California to satisfy the state's natural gas requirements. The resulting competition lowered the price of natural gas from all supply sources. The Energy Commission estimates savings to California consumers will cumulatively exceed \$5.8 billion by the year 2015, when compared to what consumers would have paid for natural gas if traditional regulatory ideas had been followed.

California is the second largest user of natural gas in the U.S., consuming over two trillion cubic feet of gas in 1995. This represents about 10 percent of the nation's total natural gas use. The residential sector consumes the greatest quantity of natural gas, followed by the industrial sector. Thermal enhanced oil recovery (TEOR) operations could be considered industrial, but are accounted for separately because of the uniqueness of the process (included in TEOR is cogeneration associated with oil production operations). Cogeneration not associated with oil production is currently the smallest, but the fastest growing sector, having increased from consuming 95 million cubic feet per day 10 years ago to 460 million cubic feet per day in 1995. Gas used for electric utility generation accounts for 19 percent of California gas consumption.

FIGURE VI-5

**Natural Gas Consumption
2,010 Billion Cubic Feet**



The southwestern states, principally New Mexico and Texas, provide the largest share of California's supply, followed by Canada, in-state sources, and the Rocky Mountain states. New pipelines from Canada and the Rockies, built in recent years, have provided access to additional supplies of inexpensive natural gas for California.

The natural gas market is becoming more competitive in California and the U.S. Most recently, the state's natural gas utilities are moving to further unbundle their services (storage, transmission, and distribution), making it more attractive for marketers to serve both small and large customers. Under utility performance-based rates,

market competition is replacing regulatory price controls—currently limited to provisions for purchased gas prices, but soon to be expanded to include utility operations. With increased competition in the natural gas market in California, consumers are expected to continue to have access to affordable and reliable supplies.

Petroleum. Petroleum provides about 43 percent of the energy Californians use today. Virtually all petroleum products consumed in the state are produced in the state's refineries. Crude oil entering these refineries in 1995 came from in-state sources (50 percent), Alaskan (41 percent), and foreign (9 percent) production. Over the long term, in-state and Alaskan oil supplies will decline while foreign imports will increase.

Due to transportation fuel reformulation in California, gasoline and diesel supply and price stability have become issues of public concern. The margin of available refinery capacity in excess of average demand has decreased due to refinery closures and increasing demand. In addition, the adoption of unique California standards for fuel content has decreased the ability to import gasoline and diesel into the state. These two factors result in less cushion in the petroleum product refining and marketing system, with an attendant increase in gasoline and diesel price volatility when refinery mishaps occur or fuel demand increases.

The transportation sector consumes almost 80 percent of the petroleum used in the state. Only a small part of that sector uses nonpetroleum fuels today. Still, California is making progress in diversifying its transportation fuels. By the end of 1994, over 13,000 flexible-fueled vehicles were in service, capable of using an 85:15 methanol:gasoline blend that can reduce vehicle emissions by up to 50 percent. There were also about 6,100 natural gas-fueled vehicles on the roads and 600 electric cars.

State policy supports the development and commercial introduction of a variety of types of alternative fueled vehicles, but favors leaving the choice of fuel to individual consumers. Similarly, State government is increasingly endeavoring to harness market forces to address California's transportation energy problems.

AIR QUALITY

Most Californians are breathing much cleaner air today than twenty-five years ago. Unhealthful levels of ozone, or smog, are less severe now and occur less frequently. Nearly all areas of the state meet carbon monoxide health standards and large reductions in emissions of air toxics have occurred. These improvements have taken place despite substantial growth in the state's population, vehicle usage, and industrial capacity.

The greatest air quality gains have been made in the most populous regions of the state: the Los Angeles, San Diego, and San Francisco areas. In the Los Angeles area, peak levels of ozone have dropped about 25 percent over the last ten years, and exposure to unhealthful levels of ozone is down about 50 percent. As a result, 1996 was the cleanest year in the history of air quality monitoring in the Los Angeles area. The improvement in air quality can be attributed primarily to increasingly tighter controls on motor vehicle exhaust, cleaner burning gasoline and diesel fuel, and reduced emissions from industrial sources.

Clean Air Plans. California still has a long way to go before every citizen breathes healthful air. Long-range plans, required by both federal and state law, chart California's course to clean air while accommodating economic growth.

The most significant plan thus far—the 1994 California State Implementation Plan (SIP) for Ozone—identifies new State, local, and federal initiatives to reduce air pollution in the most cost-effective manner. Adopted by the Air Resources Board in November 1994, the SIP calls for meeting the federal ozone standard in every area of the state by no later than 2010. The SIP affects virtually every source of pollution, including cars, trucks, buses, trains, off-road vehicles, industries, pesticides, and consumer products.

Many of the state's long-term ozone programs will provide secondary benefits by reducing particulate pollution. New studies are providing critical information on how best to integrate efforts to address ozone and particulate matter—California's two most serious and widespread air pollutants.

California's comprehensive clean air strategy relies on a combination of technology-based emission standards and market-based measures, including incentives and credit programs to speed the introduction of cleaner technologies and products. This strategy continues the state's shift to broad performance standards and emissions trading programs that give industry greater flexibility in determining the most cost-effective means for controlling pollution.

Under the state's clean vehicles and fuels program, new motor vehicles will continue to be progressively less-polluting and vehicles already on the road will benefit from the introduction of cleaner burning gasoline. The introduction of cleaner burning gasoline in 1996 provided air quality benefits equivalent to removing 3.5 million cars from California's roads. Improvements to California's smog check program will ensure that vehicles continue to meet original emission standards as they age.

As cars and light trucks become increasingly cleaner, other mobile sources (like interstate trucks, farm and construction equipment, trains, ships, and planes) will contribute a growing share of air pollution. Many of these sources are legally or practically under federal control. The SIP relies on development of national standards to help achieve California's clean air goals and maintain its competitive position relative to other states. In response to pressure from California stakeholders, the federal government is developing national standards for diesel trucks, off-road equipment, and trains to benefit air quality across the nation.

The SIP contains a number of innovative market mechanisms to foster air quality progress. For example, manufacturers of both cars and consumer products can average emissions across product lines and focus pollution-cutting efforts where they will be the most cost-effective. Incentives are being developed to encourage voluntary retirement of the highest-polluting cars and accelerate introduction of both extended-range zero-emission vehicles and cleaner truck engines. The Air Resources Board is also establishing the framework for local programs that provide for the interchangeable use of emission reduction credits from both mobile and industrial sources to meet air quality requirements.

The federal government is considering revisions to the national ambient air quality standards for ozone and particulate matter, including new standards for fine particulate matter. California's businesses and citizens have made substantial investments in existing air pollution control programs. These programs, together with planned SIP strategies, also give the state a head start in reducing emissions of fine particulates. California's innovative air quality programs will continue the state's steady progress towards cleaner, more healthful air.

Environmental Technology Industry. California is home to more environmental technology companies than any other state. Building on the California's long tradition of high environmental standards and technical innovation, California-based environmental technology industries supply environmental equipment, processes, and services to growing domestic and international markets. Today, more than 180,000 Californians are employed by companies producing over \$20 billion

worth of pollution prevention, waste treatment and control, cleanup, and related environmental technologies and services.

The California Environmental Technology Partnership (CETP) was formed in 1992 to assist and promote California-based companies that research, develop, and market environmental technologies. One result of a CETP recommendation was a voluntary certification program in 1993 to test and evaluate environmental technologies, which fosters broader acceptance of certified technologies by investors, customers and regulators, and streamlines the permitting process for those technologies. Selected as a 1996 recipient of the Innovations in American Government Award, California's environmental technology certification program has gained national and international recognition; it serves as a model program advancing both environmental and economic success.

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Table 1

**Total Population, United States and
California, 1960 to 1996 a/
(In Thousands)**

July 1	United States	Percent change	California	Percent change	California percent of U.S.
1960	179,979	1.6	15,863	3.8	8.8
1961	182,992	1.7	16,412	3.5	9.0
1962	185,771	1.5	16,951	3.3	9.1
1963	188,483	1.5	17,530	3.4	9.3
1964	191,141	1.4	18,026	2.8	9.4
1965	193,526	1.2	18,464	2.4	9.5
1966	195,576	1.1	18,831	2.0	9.6
1967	197,457	1.0	19,175	1.8	9.7
1968	199,399	1.0	19,432	1.3	9.7
1969	201,385	1.0	19,745	1.6	9.8
1970	203,984	1.3	20,039	1.5	9.8
1971	206,827	1.4	20,346	1.5	9.8
1972	209,284	1.2	20,585	1.2	9.8
1973	211,357	1.0	20,869	1.4	9.9
1974	213,342	0.9	21,174	1.5	9.9
1975	215,465	1.0	21,538	1.7	10.0
1976	217,563	1.0	21,936	1.8	10.1
1977	219,760	1.0	22,352	1.9	10.2
1978	222,095	1.1	22,836	2.2	10.3
1979	224,567	1.1	23,257	1.8	10.4
1980	227,225	1.2	23,782	2.3	10.5
1981	229,466	1.0	24,278	2.1	10.6
1982	231,664	1.0	24,805	2.2	10.7
1983	233,792	0.9	25,337	2.1	10.8
1984	235,825	0.9	25,816	1.9	10.9
1985	237,924	0.9	26,403	2.3	11.1
1986	240,133	0.9	27,052	2.5	11.3
1987	242,289	0.9	27,717	2.5	11.4
1988	244,499	0.9	28,393	2.4	11.6
1989	246,819	0.9	29,142	2.6	11.8
1990	249,398	1.0	29,944	2.8	12.0
1991	252,106	1.1	30,565	2.1	12.1
1992	255,011	1.2	31,188	2.0	12.2
1993	257,795	1.1	31,517	1.1	12.2
1994	260,372	1.0	31,790	0.9	12.2
1995	262,890	1.0	32,063	0.9	12.2
1996	265,284	0.9	32,383	1.0	12.2

a/ Includes members of the Armed Forces stationed in the area.

Sources: U.S. Department of Commerce, Bureau of the Census
California Department of Finance, Demographic Research Unit

Table 2

**Components of Change in California's
Civilian Population, 1960 to 1996
(In Thousands)**

July 1	Civilian Population	Net Change	Natural Increase	Net Migration	Gains from Military
1960	15,550	586	231	351	4
1961	16,108	558	244	308	6
1962	16,634	526	240	306	-20
1963	17,197	563	234	320	9
1964	17,706	509	230	308	-29
1965	18,143	437	217	232	-12
1966	18,459	316	185	179	-48
1967	18,796	337	184	198	-45
1968	19,046	250	176	102	-28
1969	19,354	308	185	118	5
1970	19,663	309	193	96	20
1971	20,002	339	184	128	27
1972	20,264	262	144	98	20
1973	20,558	294	130	162	2
1974	20,874	316	131	182	3
1975	21,249	375	145	228	2
1976	21,653	404	153	248	3
1977	22,075	422	174	248	0
1978	22,566	491	177	314	0
1979	22,991	425	191	234	0
1980	23,511	520	210	310	0
1981	24,006	495	224	271	0
1982	24,523	517	239	278	0
1983	25,058	535	247	288	0
1984	25,530	472	246	226	0
1985	26,114	584	255	329	0
1986	26,763	649	281	368	0
1987	27,427	664	287	377	0
1988	28,115	688	303	385	0
1989	28,861	746	331	415	0
1990	29,675	814	381	433	0
1991	30,266	591	396	195	0
1992	30,971	706	397	309	0
1993	31,349	377	372	5	0
1994	31,500	151	356	(205)	0
1995	31,827	327	337	(10)	0
1996	32,193	365	336	29	0

Sources: U.S. Department of Commerce, Bureau of the Census
California Department of Finance, Demographic Research Unit

Table 3**Total Population of California Counties
July 1, 1995 and 1996**

County	1995	1996
Alameda	1,347,700	1,365,000
Alpine	1,170	1,190
Amador	32,600	32,950
Butte	196,100	196,500
Calaveras	36,950	36,900
Colusa	17,850	18,250
Contra Costa	867,300	877,900
Del Norte	27,600	27,500
El Dorado	144,200	144,700
Fresno	754,100	769,700
Glenn	26,600	26,700
Humboldt	124,500	125,100
Imperial	137,400	141,200
Inyo	18,450	18,250
Kern	616,700	624,100
Kings	114,900	115,700
Lake	55,100	54,900
Lassen	28,650	32,650
Los Angeles	9,352,200	9,396,400
Madera	106,400	110,300
Marin	238,900	239,500
Mariposa	15,900	15,950
Mendocino	84,300	84,800
Merced	198,500	198,400
Modoc	10,050	10,000
Mono	10,550	10,500
Monterey	361,800	360,200
Napa	117,800	119,000
Nevada	86,600	87,100
Orange	2,614,800	2,649,800
Placer	203,500	209,200
Plumas	20,500	20,250
Riverside	1,370,300	1,393,300
Sacramento	1,117,700	1,132,100
San Benito	42,650	44,000
San Bernardino	1,581,600	1,592,600
San Diego	2,669,200	2,694,900
San Francisco	751,500	768,200
San Joaquin	524,600	533,200
San Luis Obispo	228,400	230,700
San Mateo	689,700	698,000
Santa Barbara	391,400	393,700
Santa Clara	1,603,300	1,638,300
Santa Cruz	241,500	243,600
Shasta	160,900	161,700
Sierra	3,390	3,370
Siskiyou	44,650	44,000
Solano	370,500	372,400
Sonoma	419,500	424,500
Stanislaus	413,800	418,500
Sutter	73,800	74,600
Tehama	54,200	54,400
Trinity	13,400	13,350
Tulare	349,800	353,600
Tuolumne	51,500	51,600
Ventura	712,700	714,800
Yolo	150,800	152,500
Yuba	62,300	60,500
CALIFORNIA	32,063,000	32,383,000

Detail may not add due to rounding.

Source: California Department of Finance,
Demographic Research Unit**Table 4****Civilian Labor Force, California, 1967 to 1996 d/ e/
(In Thousands)**

				Unemploy-
	Labor	Employed	Unemployed	ment rate
	force a/	b/	c/	(Percent)
1967	7,831	7,441	389	5.0
1968	8,090	7,724	366	4.5
1969	8,388	8,016	372	4.4
1970	8,167	7,575	592	7.3
1971	8,407	7,669	739	8.8
1972	8,653	7,996	656	7.6
1973	8,910	8,286	624	7.0
1974	9,317	8,638	679	7.3
1975	9,539	8,598	941	9.9
1976	9,896	8,990	906	9.2
1977	10,367	9,513	853	8.2
1978	10,911	10,137	775	7.1
1979	11,268	10,566	702	6.2
1980	11,584	10,794	790	6.8
1981	11,811	10,937	874	7.4
1982	12,177	10,967	1,210	9.9
1983	12,282	11,095	1,187	9.7
1984	12,611	11,631	980	7.8
1985	12,982	12,048	934	7.2
1986	13,333	12,443	890	6.7
1987	13,738	12,947	791	5.8
1988	14,132	13,384	748	5.3
1989	14,517	13,780	737	5.1
1990	15,193	14,319	874	5.8
1991	15,176	14,004	1,172	7.7
1992	15,404	13,973	1,431	9.3
1993	15,359	13,918	1,441	9.4
1994	15,450	14,122	1,328	8.6
1995	15,427	14,217	1,211	7.8
1996	15,596	14,470	1,126.2	7.2

Adjusted for Seasonal Variation					
1995	January	15,406	14,163	1,242	8.1
	February	15,389	14,195	1,194	7.8
	March	15,376	14,179	1,198	7.8
	April	15,400	14,189	1,211	7.9
	May	15,406	14,183	1,223	7.9
	June	15,422	14,212	1,210	7.8
	July	15,409	14,201	1,208	7.8
	August	15,423	14,219	1,204	7.8
	September	15,450	14,249	1,201	7.8
	October	15,457	14,251	1,206	7.8
	November	15,483	14,258	1,225	7.9
	December	15,500	14,299	1,202	7.8
1996	January	15,496	14,318	1,178	7.6
	February	15,523	14,345	1,179	7.6
	March	15,541	14,369	1,172	7.5
	April	15,539	14,384	1,154	7.4
	May	15,558	14,428	1,130	7.3
	June	15,574	14,450	1,124	7.2
	July	15,604	14,491	1,113	7.1
	August	15,631	14,527	1,104	7.1
	September	15,664	14,557	1,107	7.1
	October	15,669	14,574	1,095	7.0
	November	15,685	14,595	1,090	6.9
	December	15,665	14,598	1,067	6.8

a/ Detail may not add to total due to rounding.

b/ Includes wage and salary workers, employers, own-account workers,
unpaid family workers and workers directly involved in work stoppages.

c/ Excludes the potential or latent supply of workers not active in the labor force.

d/ Labor force data for 1990-1996 are not comparable with prior
data because of the introduction of the 1990 Census population figures.e/ Statewide labor force data are now derived from BLS-developed
regression models.

Source: California Employment Development Department

Table 5

**Wage and Salary Workers in Nonagricultural Establishments
By Major Industry, California, 1972 to 1996 c/
(In Thousands)**

Year	Total	Mining	Construc- tion a/	Manufac- turing	Trans- portation and Utilities	Wholesale Trade	Retail Trade	Finance, Insurance, Real Estate	Services	Govern- ment b/
1972	7,209.9	29.2	312.4	1,542.7	454.1	409.6	1,199.0	409.3	1,361.0	1,492.7
1973	7,621.9	30.5	333.4	1,660.7	467.0	441.6	1,261.9	431.6	1,470.6	1,524.8
1974	7,834.3	32.7	317.8	1,701.3	470.7	460.6	1,291.4	444.8	1,529.1	1,586.0
1975	7,847.2	33.9	285.9	1,593.7	458.1	465.9	1,320.4	446.4	1,572.4	1,670.6
1976	8,154.2	34.7	301.3	1,659.8	463.9	485.3	1,390.2	468.7	1,654.6	1,695.6
1977	8,599.7	35.6	350.4	1,737.8	476.5	507.5	1,474.9	505.4	1,770.9	1,740.7
1978	9,199.8	37.1	401.9	1,884.6	506.4	534.3	1,591.7	553.2	1,937.4	1,753.1
1979	9,664.6	39.3	448.7	2,012.7	534.7	564.1	1,659.7	595.9	2,074.6	1,735.0
1980	9,848.8	43.5	428.3	2,018.2	546.3	583.7	1,683.2	623.1	2,158.8	1,763.9
1981	9,985.3	49.2	407.6	2,032.3	554.8	590.6	1,710.9	642.9	2,240.5	1,756.4
1982	9,810.3	50.4	349.0	1,957.7	542.8	582.1	1,693.1	642.4	2,257.7	1,735.2
1983	9,917.8	47.7	366.9	1,927.0	531.9	600.7	1,731.1	653.8	2,334.4	1,724.3
1984	10,390.0	47.6	407.4	2,004.1	540.0	634.6	1,838.5	677.8	2,492.7	1,747.4
1985	10,769.8	47.8	435.8	2,024.2	553.5	660.4	1,914.7	697.3	2,643.3	1,792.8
1986	11,085.5	40.7	450.0	2,039.1	568.4	672.3	1,982.5	728.6	2,765.1	1,838.8
1987	11,472.6	37.3	487.2	2,060.1	583.2	688.0	2,067.9	755.1	2,910.2	1,883.7
1988	11,911.5	37.7	529.2	2,096.7	588.4	733.5	2,154.1	773.0	3,064.8	1,934.1
1989	12,238.5	37.3	560.0	2,107.0	598.2	758.2	2,193.9	789.0	3,196.2	1,998.7
1990	12,499.9	37.7	561.8	2,068.8	612.2	768.9	2,223.8	808.8	3,343.1	2,074.8
1991	12,359.0	37.0	514.0	1,970.9	613.3	741.7	2,180.5	799.4	3,411.7	2,090.6
1992	12,153.5	35.4	471.7	1,890.5	607.4	713.5	2,121.4	791.9	3,426.3	2,095.6
1993	12,045.3	34.9	445.7	1,805.1	610.6	686.7	2,125.2	794.2	3,462.4	2,080.6
1994	12,159.5	31.9	464.3	1,777.3	619.0	701.6	2,143.5	770.6	3,558.2	2,093.2
1995	12,422.2	30.0	485.4	1,794.2	630.2	724.5	2,190.6	731.9	3,728.5	2,107.0
1996	12,775.0	29.6	510.5	1,853.2	641.5	745.3	2,228.2	733.1	3,916.7	2,117.0

a/ Includes employees of construction contractors and operative builders; does not include force-account and government construction workers.

b/ Includes all civilian employees of Federal, State, and Local governments regardless of the activity in which the employees are engaged.

c/ There may be breaks in series between 1987-88 due to changes in Standard Industrial Classification. Does not include employers, own-account workers, unpaid family workers, domestic servants, and agricultural workers.

Source: California Employment Development Department

Table 6

**Wage and Salary Workers in Nonagricultural Establishments
By Major Industry, Selected Areas, 1996 a/
(In Thousands)**

Area b/ and Year	Total	Mining	Construc- tion	Manufac- turing	Trans- portation and Utilities	Trade	Finance, Insurance, Real Estate	Services	Govern- ment
Bakersfield									
1996	175.2	10.8	8.4	9.8	9.2	42.4	6.0	41.3	47.4
Fresno c/									
1996	270.7	0.6	13.1	29.9	13.8	66.0	14.1	68.2	64.9
Los Angeles-Long Beach									
1996	3,801.9	5.7	108.6	646.1	204.4	841.8	216.7	1,245.3	533.3
Modesto									
1996	128.4	0.0	6.3	26.5	5.6	32.0	4.3	30.2	23.5
Oakland									
1996	915.8	2.2	46.4	113.7	58.9	208.6	51.8	266.2	168.1
Orange County									
1996	1,184.2	0.9	52.1	211.8	42.6	297.3	85.6	364.1	129.9
Riverside-San Bernardino									
1996	807.4	1.2	46.4	99.2	42.0	209.9	29.7	211.7	167.4
Sacramento c/									
1996	605.8	0.2	29.7	43.2	25.3	133.5	39.3	167.5	167.0
Salinas									
1996	113.7	0.1	4.2	9.4	5.3	30.4	6.1	31.4	26.8
San Diego									
1996	999.0	0.3	44.3	116.2	38.0	234.7	56.6	319.3	189.6
San Francisco									
1996	951.7	0.6	30.9	76.0	76.0	199.5	97.8	346.4	124.5
San Jose									
1996	879.1	0.1	32.7	246.6	25.0	173.4	29.9	283.6	87.8
Santa Barbara-Santa Maria-Lompoc									
1996	146.6	1.1	5.8	16.2	5.3	35.0	7.1	46.4	29.6
Santa Rosa									
1996	157.2	0.5	8.3	23.3	6.0	40.4	9.4	44.4	25.0
Stockton-Lodi									
1996	163.3	0.1	6.7	23.6	11.8	39.3	8.4	40.2	33.2
Vallejo-Fairfield-Napa									
1996	144.3	0.5	8.5	17.1	5.8	38.0	5.6	37.8	31.0
Ventura									
1996	239.9	1.8	10.6	30.3	9.7	59.0	11.8	73.1	43.6

a/ Does not include employers, own-account workers, unpaid family workers, domestic servants, and agricultural workers.

b/ Area definitions: Bakersfield: Kern County; Fresno: Fresno and Madera Counties; Los Angeles-Long Beach: Los Angeles County; Modesto: Stanislaus County; Oakland: Alameda and Contra Costa Counties; Orange County: Orange County; Riverside-San Bernardino: Riverside and San Bernardino Counties; Sacramento: El Dorado, Placer, and Sacramento Counties; Salinas: Monterey County; San Diego: San Diego County; San Francisco: Marin, San Francisco and San Mateo Counties; San Jose: Santa Clara County; Santa Barbara-Santa Maria-Lompoc: Santa Barbara County; Santa Rosa: Sonoma County; Stockton-Lodi: San Joaquin County; Vallejo-Fairfield-Napa: Napa and Solano Counties; Ventura: Ventura County

c/ Historical data prior to 1992, presented in earlier issues, for the Fresno and Sacramento MSAs are not comparable with data for 1992 and later years because the Fresno MSA added Madera county and the Sacramento MSA no longer include Yolo county.

Source: California Employment Development Department

Table 7

Wage and Salary Workers in Manufacturing, California, 1986 to 1996 a/
(In Thousands)

Industry	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Total	2,039.1	2,060.1	2,096.7	2,107.0	2,068.8	1,970.9	1,890.5	1,805.1	1,777.3	1,794.2	1,853.2
Nondurable goods	643.1	665.0	686.1	701.1	711.0	702.4	708.4	695.2	698.4	704.6	717.1
Durable goods	1,396.0	1,395.1	1,410.6	1,405.9	1,357.7	1,268.6	1,182.2	1,110.0	1,078.8	1,089.6	1,136.1
Nondurable goods:											
Food and kindred products	168.0	167.6	171.4	175.9	180.7	179.8	182.6	180.4	176.8	174.3	180.4
Canned, cured, frozen sea foods b/	5.4	5.6	5.8	4.8	4.4	4.5	4.6	3.9	3.8	3.4	3.7
Meat products	17.2	18.8	19.1	19.7	20.5	19.8	18.2	17.1	16.9	17.2	17.8
Dairy products	12.4	12.0	12.6	13.4	14.4	14.1	16.0	15.4	14.7	14.6	14.1
Canned/preserved fruit and vegetables b/	49.6	49.4	47.8	51.0	52.9	52.3	50.8	51.4	49.8	47.3	50.6
Grain mill products	7.9	8.2	8.3	8.7	9.7	9.3	7.9	8.4	8.3	8.2	8.1
Bakery products b/	19.7	18.8	20.0	20.3	20.6	21.3	22.5	21.9	21.9	22.2	22.5
Beverages	26.3	26.2	27.7	27.5	27.0	27.0	28.4	29.3	29.2	29.0	31.4
Other food and kindred products	29.5	28.6	30.1	30.6	31.2	31.5	34.3	33.0	32.2	32.5	32.2
Textile mill products	14.7	16.0	16.2	16.6	16.1	15.1	15.6	16.5	18.4	18.9	20.5
Knitting mills	4.2	4.5	4.2	4.5	4.6	4.7	4.7	5.1	6.0	6.4	7.2
Carpets and rugs	4.0	4.2	4.4	4.6	4.0	3.7	2.9	2.9	3.0	2.8	3.2
Other textile mill products	6.4	7.3	7.7	7.5	7.5	6.8	8.1	8.5	9.4	9.7	10.1
Apparel and other textile products	113.1	123.5	123.1	128.3	132.8	133.9	139.9	135.8	143.3	151.8	158.5
Men's, boys' suits and coats b/	9.4	9.9	9.2	8.5	8.7	8.2	10.0	10.4	11.7	13.1	13.0
Women's and misses' outerwear	74.6	82.5	82.3	85.4	88.8	92.1	96.5	92.6	96.3	101.0	106.1
Women's and children's undergarments	3.9	3.7	3.6	3.7	3.6	3.1	2.9	3.1	3.1	2.9	2.3
Girls', child's outerwear	2.4	2.6	2.6	3.0	3.2	3.5	4.1	4.0	4.8	5.5	5.4
Other apparel and textile products b/	22.9	24.8	25.4	27.7	28.6	27.1	26.4	25.8	27.5	29.4	31.7
Paper and allied products	39.4	40.2	39.7	40.8	40.5	39.2	39.7	39.3	39.6	39.5	39.8
Misc. converted paper products	16.1	16.6	16.6	16.7	16.3	15.6	15.4	14.8	15.0	15.2	15.5
Paperboard containers and boxes	17.3	17.6	17.3	17.8	17.9	17.7	18.7	19.2	19.5	19.3	19.5
Pulp, paper and paperboard mills b/	6.0	6.0	5.8	6.3	6.3	5.8	5.6	5.3	5.1	5.0	4.8
Printing and publishing	142.9	149.0	157.5	159.0	161.7	158.5	157.7	154.3	151.0	150.3	148.3
Newspapers	48.2	49.6	51.5	51.0	52.0	50.5	50.2	48.6	46.9	45.6	43.4
Commercial printing	55.2	57.6	60.4	61.9	62.8	62.2	60.4	58.7	57.7	59.2	60.5
Other printing and publishing	39.6	41.8	45.6	46.2	46.9	45.8	47.1	47.0	46.5	45.5	44.4
Chemicals and allied products	63.7	66.2	71.4	71.5	70.5	70.6	72.9	72.6	70.7	69.1	68.8
Industrial inorganic chemicals b/	7.2	6.9	7.2	7.4	7.3	7.2	7.0	6.7	6.6	6.0	5.6
Plastic materials and synthetics	2.9	2.9	3.3	3.3	3.5	3.2	3.7	3.7	3.6	3.8	3.8
Drugs b/	19.8	20.9	23.5	23.5	22.9	23.8	25.8	26.9	26.6	26.6	27.3
Soaps, cleaners, toilet goods	12.8	14.1	15.2	14.8	14.3	14.0	14.5	14.4	13.8	13.5	14.0
Paints and allied products	7.4	7.3	7.3	7.1	7.1	6.8	6.8	6.4	6.3	6.0	5.0
Agricultural chemicals	3.2	3.1	2.9	2.8	2.9	3.4	3.7	3.6	3.6	3.6	3.5
Other chemicals and allied products	10.5	10.9	12.0	12.6	12.6	12.4	11.4	10.9	10.2	9.6	9.7
Petroleum and coal products	27.3	26.7	27.1	27.5	26.4	26.3	25.7	22.7	21.6	21.3	20.1
Petroleum refining	24.4	23.7	23.9	24.1	23.0	22.9	22.3	19.5	18.5	18.4	17.3
Other petroleum and coal products b/	2.9	3.0	3.2	3.4	3.4	3.4	3.4	3.1	3.1	2.9	2.8
Rubber and miscellaneous plastics products	67.1	69.2	73.6	75.4	76.5	73.1	68.6	68.1	70.6	72.6	73.8
Tires and inner tubes	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.1	1.2	1.0
Fabricated rubber products b/	9.8	9.7	9.8	9.4	8.9	8.2	7.3	7.1	7.6	8.1	8.1
Misc. plastics products b/	55.1	57.3	59.0	60.8	61.9	59.0	54.9	55.0	56.2	58.3	60.5
Other rubber and plastics products b/	1.2	1.2	3.6	4.2	4.6	4.8	5.3	4.8	5.7	5.0	4.2
Leather and leather products	6.9	6.8	6.2	6.1	5.9	5.8	5.6	5.6	6.5	6.7	6.8
Durable goods:											
Lumber and wood products excl. furniture	59.2	64.7	67.5	69.6	66.2	54.6	48.6	47.8	49.7	50.9	52.7
Logging, sawmills	20.6	21.8	22.0	21.2	19.7	15.8	16.3	16.4	16.1	16.1	15.6
Millwork, plywood	20.6	23.8	25.9	28.5	27.0	22.0	18.1	17.1	18.2	18.9	19.9
Wooden containers	4.5	4.6	4.5	4.4	4.6	4.4	4.2	4.4	4.6	4.7	5.1
Other lumber and wood products	13.5	14.5	15.1	15.6	14.9	12.4	10.1	9.9	10.8	11.2	12.1
Furniture and fixtures	58.6	61.6	60.5	58.9	54.9	47.8	45.7	44.5	45.4	47.2	50.0
Household furniture	34.0	36.5	36.1	33.4	30.1	26.3	24.4	23.6	24.4	26.0	27.6
Partitions and fixtures b/	8.3	8.5	8.3	8.4	8.1	7.3	7.0	7.3	7.4	7.8	8.0
Other furniture and fixtures	16.3	16.6	16.1	17.2	16.7	14.1	14.3	13.6	13.5	13.4	14.4

Table 7 continued on next page

Table 7 (continued)

Wage and Salary Workers in Manufacturing, California 1986 to 1996 a/
(In Thousands)

Industry	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Stone, clay and glass products	51.8	52.4	53.0	55.2	54.7	48.6	45.9	44.5	43.7	44.0	44.4
Glass and glass products	15.0	15.2	15.2	15.6	15.5	13.6	13.9	13.3	12.8	12.8	13.0
Hydraulic cement b/	2.9	2.7	2.1	1.9	1.7	1.7	1.6	1.5	1.5	1.5	1.6
Structural clay products	2.2	2.2	2.3	2.6	2.9	2.5	1.8	1.9	2.0	2.3	2.3
Pottery and related products b/	4.0	4.2	4.9	5.3	5.0	4.4	4.0	3.9	4.0	4.3	3.7
Concrete, gypsum, plaster products	18.0	19.0	20.5	21.4	21.4	18.8	16.9	16.8	16.7	16.6	16.9
Other stone, clay and glass products b/	9.7	9.3	8.1	8.4	8.2	7.6	7.7	7.1	6.8	6.6	7.0
Primary metal industries	40.1	41.0	42.6	42.4	40.0	37.0	32.4	31.9	32.7	33.2	34.6
Blast furnace and basic steel products	7.6	7.9	8.6	8.8	8.1	7.5	7.2	7.1	7.1	7.6	8.2
Iron and steel foundries	6.0	6.4	6.5	6.1	5.5	5.2	5.0	5.0	5.3	5.5	5.9
Nonferrous rolling and drawing	12.6	12.4	12.5	12.6	11.9	11.2	9.7	9.7	10.1	10.5	10.6
Nonferrous foundries	10.1	10.5	10.5	10.3	9.9	8.7	7.0	6.7	6.8	6.2	6.4
Other primary metals b/	3.9	3.8	4.5	4.6	4.6	4.3	3.6	3.5	3.4	3.4	3.5
Fabricated metal products	134.0	131.3	135.4	135.7	131.1	120.2	115.9	111.7	114.6	116.1	120.4
Metal cans and shipping containers	7.8	7.3	7.0	6.8	6.5	6.0	6.4	5.9	6.2	5.8	5.6
Cutlery and hand tools	13.8	14.1	15.4	14.6	13.6	12.4	12.5	12.0	12.3	12.4	12.8
Plumbing and heating excl. electric b/	7.3	6.8	8.0	8.4	8.2	7.6	7.1	6.8	6.7	6.9	7.0
Fabricated structural products	41.1	39.6	39.3	40.3	39.6	36.4	33.8	32.3	33.4	32.1	33.7
Screw machine products, bolts, etc.	12.2	12.8	13.0	12.9	13.1	12.2	10.9	10.0	9.7	10.5	11.1
Forgings and stampings	15.4	14.6	13.8	13.3	13.0	11.5	11.2	10.9	12.3	14.4	15.3
Metal services	19.1	19.7	20.4	20.9	19.9	19.3	18.4	17.9	18.3	18.8	19.7
Other fabricated metal products b/	17.4	16.3	18.4	18.6	17.3	14.8	15.7	15.9	15.8	15.3	15.3
Industrial machinery	210.9	207.5	213.9	218.5	213.3	209.4	198.8	194.4	188.2	197.2	210.7
Farm and garden c/	3.7	4.0	4.2	3.6	2.8	2.2	2.5	3.4	3.3	3.0	3.1
Construction and related	10.9	9.6	9.4	9.4	8.8	7.8	6.8	6.4	6.4	6.7	6.9
Metalworking b/	16.1	15.9	18.7	18.7	17.5	16.2	14.2	14.3	14.3	15.5	16.3
Special industry b/	11.9	11.7	10.4	10.6	10.9	10.5	11.7	12.4	14.3	17.1	20.8
General industry b/	17.9	17.5	17.5	18.5	18.8	18.8	17.9	17.5	16.6	16.6	17.0
Computer and office equipment b/	105.6	103.4	100.3	103.1	100.8	101.3	95.1	92.0	83.1	85.1	89.5
Refrigeration and service industry mach.	8.9	8.9	9.2	9.1	8.8	8.7	9.9	9.4	10.4	11.1	10.8
Other machinery and equipment b/	35.9	36.4	44.2	45.3	45.0	44.0	40.7	39.1	39.8	42.1	46.5
Electrical equipment and supplies b/	393.8	388.0	263.7	261.3	252.3	238.1	221.6	214.0	215.5	228.7	245.9
Electrical distribution equipment b/	11.4	11.6	11.9	11.5	10.1	8.8	7.7	6.9	6.5	6.3	6.1
Electric industrial apparatus b/	11.1	10.1	12.4	11.9	10.7	9.6	8.9	7.7	7.4	7.6	7.9
Household appliances	3.8	3.9	3.9	4.1	3.7	3.1	2.3	2.1	2.2	2.2	2.3
Lighting and wiring equipment	22.8	22.9	23.1	23.1	22.4	20.2	18.2	17.3	17.4	18.1	18.4
Household audio and video	13.8	14.1	14.7	15.1	15.2	15.3	14.2	13.7	14.5	16.1	16.8
Communications equipment b/	176.9	170.4	30.9	31.7	30.5	29.0	30.1	30.7	30.7	34.8	37.7
Electronic components and accessories	146.4	147.0	144.2	142.8	138.9	132.5	122.2	118.4	120.4	128.9	141.0
Misc. electrical equip. and supplies	7.8	8.0	22.7	21.2	20.9	19.6	17.8	17.3	16.4	14.7	15.9
Transportation equipment	302.2	303.3	296.5	294.8	288.8	263.7	239.0	201.4	177.9	164.2	161.7
Motor vehicles and equipment	32.0	32.6	33.9	32.5	29.8	29.4	30.0	29.2	31.4	32.7	33.4
Aircraft and parts b/	164.9	167.8	159.6	161.4	162.3	145.8	132.2	108.1	92.7	84.4	82.7
Ship and boat building and repairing	15.2	13.3	13.1	13.9	12.6	12.4	11.6	10.6	9.9	10.3	11.3
Guided missiles, space vehicles and parts	79.8	79.3	79.9	77.9	75.7	68.1	57.9	46.6	36.2	28.9	26.0
Other transportation equipment	10.3	10.3	10.0	9.1	8.5	7.9	7.4	6.9	7.6	7.9	8.2
Instruments and related products b/	110.5	110.4	241.6	233.4	221.0	215.0	199.4	184.4	172.6	166.4	172.4
Search and navigation d/	n.a.	n.a.	123.6	111.7	99.3	94.1	84.0	70.7	61.4	55.4	56.3
Measuring and controlling b/	53.4	53.3	69.2	71.5	69.5	67.5	62.9	60.7	59.5	61.2	64.8
Other instruments and related products b/	57.1	57.1	48.9	50.3	52.2	53.4	52.5	53.0	51.7	49.8	51.2
Miscellaneous manufacturing	34.9	35.0	35.8	36.2	35.6	34.1	34.8	35.4	38.7	41.8	43.4
Toys and sporting goods	12.3	12.1	11.8	11.8	11.8	11.9	12.0	12.1	14.0	16.1	16.4
Other misc. manufacturing	22.7	22.9	24.0	24.4	23.8	22.2	22.8	23.3	24.6	25.6	27.0

a/ Data for 1983-1987 are based on 1972 SIC codes. 1988-1996 are based on 1987 SIC codes.

b/ Data for 1988-1996 are not comparable with prior years due to SIC code changes.

c/ Data for 1993-1996 are not comparable with prior years because of an SIC code change.

d/ Not published on the 1972 SIC code.

n.a. Not available

Source: California Employment Development Department

Table 8

**Aerospace and Electronics Employment,
California, 1960 to 1996 a/b/c/
(In Thousands)**

Year	Total Aerospace	Office and Computing Machines	Radio and T.V. Receiving Equipment	Communi- cation Equipment	Electronic Components and Accessories	Aircraft and Parts	Guided Missiles and Space Vehicles	Measuring and Controlling Devices
1960	422.5	23.3	9.9	92.2	29.1	181.4	68.4	18.2
1961	425.8	23.6	10.6	98.8	31.2	166.0	76.2	19.5
1962	457.6	25.4	12.0	112.0	35.4	161.0	89.6	22.1
1963	458.3	25.6	11.9	110.4	34.8	160.1	93.7	21.8
1964	433.5	26.9	11.0	98.1	32.4	153.6	90.8	20.8
1965	434.3	30.2	10.8	95.7	34.9	155.3	86.0	21.4
1966	495.0	33.8	13.7	103.3	47.7	181.3	92.1	23.1
1967	542.4	38.8	15.0	117.6	52.0	198.6	97.4	23.0
1968	544.3	42.7	15.5	117.0	52.4	195.4	96.9	24.6
1969	528.3	53.4	16.7	114.4	57.7	178.3	82.6	25.3
1970	466.3	58.3	15.1	102.9	53.0	148.3	64.5	24.3
1971	409.6	52.3	14.2	91.1	45.9	130.3	52.9	23.0
1972	427.4	52.1	15.0	95.1	52.0	135.4	52.8	25.1
1973	462.8	61.4	15.5	100.0	68.9	135.6	51.0	30.5
1974	485.8	69.7	15.8	102.6	78.5	134.9	51.7	32.7
1975	450.5	63.3	14.9	103.0	65.7	121.3	52.0	30.2
1976	449.6	62.3	16.1	105.4	74.8	108.5	50.0	32.5
1977	465.2	67.0	16.6	108.4	82.3	109.4	48.0	33.5
1978	518.8	80.1	17.8	119.1	97.3	117.5	49.6	37.4
1979	590.6	92.2	18.0	129.6	114.6	140.4	54.0	41.9
1980	632.6	97.9	17.6	137.3	124.2	151.0	58.6	46.0
1981	647.1	98.4	17.3	146.5	126.1	147.9	62.7	48.2
1982	658.3	103.9	14.9	157.2	131.0	137.3	66.4	47.6
1983	664.3	108.7	13.3	156.9	138.1	131.8	68.5	47.0
1984	708.2	114.3	13.3	162.2	160.3	136.9	71.6	49.6
1985	734.9	108.6	13.2	174.7	156.7	152.8	76.2	52.7
1986	740.8	105.6	13.8	176.9	146.4	164.9	79.8	53.4
1987	735.3	103.4	14.1	170.4	147.0	167.8	79.3	53.3

Year	Total High Tech- nology	Aerospace			Electronics			
		Aircraft and Parts	Missiles and Space Vehicles	Search and Navigation Instruments	Computer and Office Equipment	Communi- cations Equipment	Electronic Components	Laboratory Measuring, Controlling Instruments
1988	707.8	159.6	79.9	123.6	100.3	30.9	144.2	69.2
1989	700.0	161.4	77.9	111.7	103.1	31.7	142.8	71.5
1990	676.8	162.3	75.7	99.3	100.8	30.5	138.9	69.5
1991	638.4	145.8	68.1	94.1	101.3	29.0	132.5	67.5
1992	584.5	132.2	57.9	84.0	95.1	30.1	122.2	62.9
1993	527.3	108.1	46.6	70.7	92.0	30.7	118.4	60.7
1994	484.0	92.7	36.2	61.4	83.1	30.7	120.4	59.5
1995	478.6	84.4	28.9	55.4	85.1	34.8	128.9	61.2
1996	498.0	82.7	26.0	56.3	89.5	37.7	141.0	64.8

a/ Wage and salary workers.

b/ Data from 1960-1987 calculated using aerospace categories as defined by 1972 SIC code.

c/ Data from 1988 and subsequent calculated using aerospace categories as defined by 1987 SIC code.

Data from 1988 and subsequent are not comparable with data from prior years because of the 1987 SIC Code revisions.

Source: California Employment Development Department

Table 9

**Average Weekly and Hourly Earnings,
And Average Hours Worked Per Week
Production and Related Workers in Manufacturing,
California and United States, 1960 to 1996 a/**

Year	California			United States		
	Average Weekly Earnings	Average Hourly Earnings	Average Hours per Week	Average Weekly Earnings	Average Hourly Earnings	Average Hours per Week
1960	\$104.28	\$2.62	39.8	\$89.72	\$2.26	39.7
1961	108.53	2.72	39.9	92.34	2.32	39.8
1962	112.44	2.79	40.3	96.15	2.38	40.4
1963	115.78	2.88	40.2	99.22	2.45	40.5
1964	119.29	2.96	40.3	102.97	2.53	40.7
1965	123.83	3.05	40.6	107.53	2.61	41.2
1966	128.93	3.16	40.8	112.34	2.72	41.3
1967	132.92	3.29	40.4	114.49	2.82	40.6
1968	138.63	3.44	40.3	122.51	3.01	40.7
1969	145.89	3.62	40.3	129.51	3.19	40.6
1970	150.48	3.80	39.6	133.33	3.35	39.8
1971	158.79	4.02	39.5	142.44	3.57	39.9
1972	170.43	4.25	40.1	154.71	3.82	40.5
1973	178.93	4.44	40.3	166.46	4.09	40.7
1974	188.97	4.76	39.7	177.20	4.43	40.0
1975	205.67	5.22	39.4	190.30	4.83	39.4
1976	221.92	5.59	39.7	208.80	5.22	40.0
1977	240.60	6.00	40.1	228.50	5.67	40.3
1978	257.84	6.43	40.1	249.27	6.17	40.4
1979	280.50	7.03	39.9	269.34	6.70	40.2
1980	304.15	7.70	39.5	288.62	7.27	39.7
1981	338.98	8.56	39.6	318.00	7.99	39.8
1982	362.21	9.24	39.2	330.26	8.49	38.9
1983	380.80	9.52	40.0	354.08	8.83	40.1
1984	393.73	9.77	40.3	374.03	9.19	40.7
1985	406.82	10.12	40.2	386.37	9.54	40.5
1986	417.51	10.36	40.3	396.01	9.73	40.7
1987	433.23	10.75	40.3	406.31	9.91	41.0
1988	439.56	10.80	40.7	418.81	10.19	41.1
1989	454.21	11.16	40.7	429.68	10.48	41.0
1990	466.09	11.48	40.6	441.86	10.83	40.8
1991	481.92	11.87	40.6	455.03	11.18	40.7
1992	494.91	12.19	40.6	469.86	11.46	41.0
1993	506.34	12.38	40.9	486.04	11.74	41.4
1994	515.02	12.44	41.4	506.52	12.06	42.0
1995	517.06	12.55	41.2	514.59	12.37	41.6
1996	532.45	12.83	41.5	531.65 b/	12.78 b/	41.6 b/

a/ Averages based on data for full and part-time production and related workers in production and other departments, such as shipping, maintenance, and warehousing.

Overtime pay and premium wages for late-shift are included.

b/ Preliminary data.

Source: California Employment Development Department,
U.S. Department of Labor, Bureau of Labor Statistics

Table 10

**Average Weekly and Hourly Earnings,
And Average Hours Worked Per Week,
Selected Nonmanufacturing Industries,
California, 1996 a/**

Industry	Average Weekly Earnings	Average Hourly Earnings	Average Hours per Week
Mineral extraction			
Oil and gas extraction	\$768.79	\$18.66	41.2
Nonmetallic minerals, except fuels	782.43	18.07	43.3
Contract construction			
General building contractors	806.40	21.39	37.7
Heavy construction contractors, except building	859.50	22.50	38.2
Special trade contractors	746.44	20.62	36.2
Transportation and utilities			
Electric, gas, and sanitary services	927.02	21.71	42.7
Trade			
Wholesale	574.63	14.81	38.8
Retail, excluding eating and drinking	298.80	9.96	30.0
Services			
Motion picture production	1,226.61	31.86	38.5

a/ Averages are based on data for full and part-time production and related workers in mineral extraction, construction, and nonsupervisory employees and working supervisors in other industries. Overtime hours and pay and premium wages for late-shift work are included.

Source: California Employment Development Department

Table 11

**Industrial Sources of Earnings
California and United States, 1993 to 1995
(Percent)**

Industry	California			United States		
	1993	1994	1995	1993	1994	1995
Total a/	100.0	100.0	100.0	100.0	100.0	100.0
Farming	1.5	1.2	1.1	1.2	1.1	0.8
Mining	0.5	0.4	0.4	0.9	0.9	0.9
Construction	4.8	5.1	5.0	5.3	5.5	5.5
Manufacturing	16.0	15.7	15.6	18.6	18.6	18.5
Transportation, communication, and public utilities	6.3	6.3	6.3	6.9	6.9	6.9
Trade	15.3	15.4	15.6	15.4	15.5	15.6
Finance, insurance, real estate	7.7	7.5	7.2	7.7	7.5	7.5
Services	31.1	31.3	32.2	27.3	27.4	28.1
Government	15.9	16.0	15.5	16.2	16.0	15.6
Other b/	1.0	1.1	1.1	0.6	0.7	0.7

a/ Consists of Wage and salary disbursements, other labor income, and proprietors' income.

b/ Agricultural services, forestry, fisheries and other.

Detail may not add due to rounding.

Source: Computed by the California Department of Finance from data reported by the U.S. Department of Commerce, Bureau of Economic Analysis

Table 12

**Personal Income a/, Total and Per Capita
California, 1960 to 1995**

Year	Total			Per Capita		
	Amount (\$ in mill.)	Percent Change	Percent of U.S.	Amount	Percent Change	Percent of U.S.
1960	44,247	--	10.9	2,788	--	123.5
1961	46,944	6.1	11.1	2,846	2.1	122.9
1962	50,632	7.9	11.2	2,966	4.2	122.3
1963	54,153	7.0	11.4	3,065	3.3	122.1
1964	58,750	8.5	11.6	3,237	5.6	122.0
1965	62,891	7.0	11.5	3,384	4.5	119.2
1966	68,411	8.8	11.5	3,628	7.2	118.8
1967	73,811	7.9	11.5	3,849	6.1	118.5
1968	80,934	9.7	11.5	4,173	8.4	118.2
1969	89,097	10.1	11.5	4,520	8.3	117.9
1970	95,657	7.4	11.5	4,777	5.7	117.3
1971	101,538	6.1	11.4	4,991	4.5	115.5
1972	111,026	9.3	11.3	5,394	8.1	115.0
1973	122,513	10.3	11.1	5,871	8.8	112.9
1974	136,840	11.7	11.3	6,463	10.1	114.1
1975	150,232	9.8	11.5	6,976	7.9	114.6
1976	168,637	12.3	11.6	7,688	10.2	115.2
1977	187,809	11.4	11.7	8,403	9.3	114.9
1978	215,186	14.6	11.9	9,422	12.1	115.3
1979	246,647	14.6	12.1	10,606	12.6	116.7
1980	280,601	13.8	12.3	11,792	11.2	117.6
1981	314,132	11.9	12.3	12,935	9.7	116.4
1982	335,230	6.7	12.4	13,506	4.4	115.5
1983	361,324	7.8	12.5	14,247	5.5	115.4
1984	402,017	11.3	12.6	15,554	9.2	114.8
1985	436,510	8.6	12.7	16,507	6.1	114.6
1986	468,316	7.3	12.9	17,278	4.7	114.1
1987	504,641	7.8	13.1	18,165	5.1	113.9
1988	547,466	8.5	13.2	19,231	5.9	113.0
1989 b/	588,412	7.5	13.2	20,138	4.7	111.1
1990	636,593	8.2	13.3	21,287	5.7	111.2
1991	651,224	2.3	13.2	21,411	0.6	109.0
1992	683,398	4.9	13.0	22,109	3.3	107.4
1993	697,911	2.1	12.8	22,356	1.1	105.3
1994 c/	715,923	2.6	12.5	22,778	1.9	103.3
1995	760,431	6.2	12.5	24,073	5.7	103.7

a/ Omits income for government employees overseas.

b/ Reflects Loma Prieta earthquake.

c/ Reflects Northridge earthquake.

Source: U.S. Department of Commerce, Bureau of Economic Analysis series. The text portion of the report uses a series estimated by the California Department of Finance.

Table 13

Personal Income by Major Source, California, 1960 to 1995
(In Millions)

Year	Total Personal Income	Wages and Salaries	Other Labor Income	Proprietors' Income		Property Income	Transfer Payments	Less: Contributions for Social Insurance	Residence Adjustment
				Farm	Nonfarm				
1960	\$44,207	\$29,168	\$1,106	\$865	\$4,794	\$6,333	\$3,121	\$1,085	-\$95
1961	46,862	30,770	1,204	806	5,102	6,634	3,601	1,171	-84
1962	50,580	33,260	1,354	905	5,421	7,166	3,832	1,277	-82
1963	54,129	35,674	1,531	852	5,631	7,770	4,221	1,479	-71
1964	58,691	38,273	1,758	999	6,156	8,576	4,592	1,592	-71
1965	62,779	40,751	1,948	915	6,409	9,419	5,068	1,712	-18
1966	68,322	44,914	2,164	1,006	6,709	10,093	5,679	2,225	-18
1967	73,590	48,141	2,333	921	7,035	10,837	6,860	2,521	-16
1968	80,647	52,824	2,723	1,059	7,712	11,290	7,844	2,785	-18
1969	89,097	57,924	3,107	1,017	7,775	13,591	8,913	3,176	-54
1970	95,657	61,250	3,472	975	7,928	14,568	10,846	3,338	-44
1971	101,538	63,941	3,802	960	8,489	15,487	12,487	3,596	-32
1972	111,026	69,875	4,484	1,381	9,570	16,400	13,559	4,217	-25
1973	122,513	76,901	5,097	1,982	10,271	18,388	14,990	5,095	-23
1974	136,840	84,419	5,900	2,485	11,151	20,738	17,724	5,561	-16
1975	150,232	90,864	7,040	1,902	12,426	21,811	21,974	5,919	133
1976	168,637	100,673	8,561	1,956	15,129	24,033	24,549	6,508	242
1977	187,809	112,615	10,477	1,985	16,514	26,983	26,462	7,312	86
1978	215,186	128,848	12,441	1,962	19,038	32,457	28,742	8,358	57
1979	246,647	146,977	14,243	2,882	21,089	39,601	31,669	9,856	42
1980	280,601	164,287	16,280	4,062	21,677	47,845	36,837	10,411	23
1981	314,132	182,472	17,990	2,668	21,726	58,719	43,126	12,745	177
1982	335,230	193,217	19,775	2,682	22,469	63,478	47,365	13,951	197
1983	361,324	207,112	21,837	2,617	26,508	67,735	50,396	15,096	214
1984	402,017	230,153	23,689	2,961	32,393	77,928	51,763	17,060	190
1985	436,510	251,209	25,859	2,913	35,476	82,991	57,145	19,233	150
1986	468,316	270,577	27,777	3,434	38,081	88,410	61,406	21,478	108
1987	504,641	295,750	31,036	4,468	41,337	91,230	64,630	23,852	43
1988	547,466	320,570	33,297	4,660	47,476	99,418	68,846	26,814	15
1989	588,412	343,721	36,773	4,061	48,195	110,197	74,450	28,998	13
1990	636,593	368,610	40,757	3,788	52,499	119,412	82,663	31,108	-27
1991	651,224	372,899	43,402	2,917	53,800	119,530	91,303	32,628	0
1992	683,398	383,573	46,407	3,611	60,478	118,348	104,775	33,835	40
1993	697,911	384,272	49,155	4,713	62,992	119,951	111,269	34,535	93
1994	715,923	394,653	50,026	2,919	65,735	123,088	115,522	36,167	147
1995	760,431	414,927	52,284	2,556	71,263	135,422	121,421	37,623	181

Detail may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 14

**Disposable Personal Income,
Total and Per Capita, California
1960 to 1995**

Year	Total		Per Capita	
	Amount (\$ mill.)	Percent Change	Amount	Percent Change
1960	\$38,720	--	\$2,440	--
1961	41,097	6.1	2,491	2.1
1962	44,244	7.7	2,592	4.1
1963	47,320	7.0	2,678	3.3
1964	52,239	10.4	2,878	7.5
1965	55,955	7.1	3,011	4.6
1966	60,496	8.1	3,208	6.5
1967	65,023	7.5	3,391	5.7
1968	70,508	8.4	3,636	7.2
1969	77,107	9.4	3,912	7.6
1970	84,155	9.1	4,203	7.4
1971	90,244	7.2	4,436	5.5
1972	96,728	7.2	4,699	5.9
1973	107,909	11.6	5,171	10.0
1974	120,282	11.5	5,681	9.9
1975	133,566	11.0	6,202	9.2
1976	148,473	11.2	6,769	9.1
1977	164,126	10.5	7,343	8.5
1978	187,396	14.2	8,205	11.7
1979	213,635	14.0	9,187	12.0
1980	242,568	13.5	10,193	11.0
1981	272,059	12.2	11,203	9.9
1982	292,235	7.4	11,774	5.1
1983	317,295	8.6	12,511	6.3
1984	352,580	11.1	13,641	9.0
1985	380,283	7.9	14,381	5.4
1986	407,989	7.3	15,052	4.7
1987	434,095	6.4	15,626	3.8
1988	473,724	9.1	16,640	6.5
1989	504,025	6.4	17,250	3.7
1990	547,656	8.7	18,313	6.2
1991	566,187	3.4	18,615	1.6
1992	599,359	5.9	19,390	4.2
1993	610,952	1.9	19,571	0.9
1994	626,385	2.5	19,929	1.8
1995	662,435	5.8	20,970	5.2

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 15

**Consumer Price Index, Selected Areas (1982-84=100)
1970 to 1996**

Year	United States	Calif-	Los	San	San Diego
		ornia	Angeles- Anaheim- Riverside	Francisco- Oakland- San Jose	
All Urban Consumers:					
1970	38.8	37.9	38.7	37.7	34.1
1971	40.5	39.3	40.1	39.1	35.4
1972	41.8	40.6	41.4	40.4	36.8
1973	44.4	43.0	43.7	42.8	39.2
1974	49.3	47.4	48.2	47.0	43.5
1975	53.8	52.3	53.3	51.8	47.6
1976	56.9	55.6	56.9	54.6	50.5
1977	60.6	59.5	60.8	58.8	53.8
1978	65.2	64.4	65.3	64.3	59.2
1979	72.6	71.3	72.3	69.8	68.9
1980	82.4	82.4	83.7	80.4	79.4
1981	90.9	91.4	91.9	90.8	90.1
1982	96.5	97.3	97.3	97.6	96.2
1983	99.6	98.9	99.1	98.4	99.0
1984	103.9	103.8	103.6	104.0	104.8
1985	107.6	108.6	108.4	108.4	110.4
1986	109.6	112.0	111.9	111.6	113.5
1987	113.6	116.6	116.7	115.4	117.5
1988	118.3	121.9	122.1	120.5	123.4
1989	124.0	128.0	128.3	126.4	130.6
1990	130.7	135.0	135.9	132.1	138.4
1991	136.2	140.6	141.4	137.9	143.4
1992	140.3	145.6	146.5	142.5	147.4
1993	144.5	149.4	150.3	146.3	150.6
1994	148.2	151.5	152.3	148.7	154.5
1995	152.4	154.0	154.6	151.6	156.8
1996	156.9	157.1	157.5	155.1	160.9
Urban Wage Earners and Clerical Workers:					
1970	39.0	38.2	38.7	38.0	35.8
1971	40.7	39.6	40.1	39.4	37.1
1972	42.1	40.9	41.4	40.8	38.6
1973	44.7	43.3	43.7	43.2	41.1
1974	49.6	47.7	48.2	47.4	45.6
1975	54.1	52.6	53.3	52.2	49.9
1976	57.2	55.9	56.8	55.2	52.9
1977	60.9	59.9	60.8	59.4	56.4
1978	65.6	64.7	65.1	64.8	61.9
1979	73.1	72.1	72.8	70.5	71.4
1980	82.9	83.6	84.7	81.2	82.1
1981	91.4	92.7	93.1	91.6	92.8
1982	96.9	98.5	98.5	98.2	99.4
1983	99.8	99.0	99.3	98.2	99.0
1984	103.3	102.5	102.2	103.7	101.7
1985	106.9	106.7	106.5	107.8	104.5
1986	108.6	109.6	109.5	110.7	107.2
1987	112.5	113.9	114.0	114.3	111.1
1988	117.0	118.9	119.0	119.4	116.5
1989	122.6	124.9	124.9	125.5	123.5
1990	129.0	131.5	131.9	131.1	130.5
1991	134.3	136.7	137.1	136.3	134.7
1992	138.2	141.4	142.0	140.6	138.2
1993	142.1	144.7	145.2	144.3	141.0
1994	145.6	146.6	147.0	146.3	144.4
1995	149.8	149.1	149.4	149.3	147.0
1996	154.1	152.0	152.1	152.6	150.6

a/ Computed by the Department of Industrial Relations, Division of Labor Statistics and Research as a weighted average of the indices for Los Angeles-Anaheim-Riverside, San Francisco-Oakland-San Jose and, from 1965-86, San Diego.

Source: U.S. Department of Labor, Bureau of Labor Statistics and California Department of Industrial Relations

Table 16

Personal Income Tax Statistics by County, 1995 Taxable Year c/

County	All taxable and nontaxable returns				Joint returns			
	Number of Returns	Adjusted Gross Income (Thousands)	Median Income		Number of Returns	Median Income		Tax Assessed (Thousands)
			Median	Rank		Median	Rank	
Alameda	553,795	\$23,134,370	\$28,329	8	215,249	\$53,385	5	\$898,980
Alpine	282	9,078	23,999	20	149	39,665	22	250
Amador	12,130	400,931	24,729	16	6,816	36,520	34	11,309
Butte	66,404	1,231,036	20,036	42	31,989	32,887	44	53,325
Calaveras	13,978	445,940	23,563	21	7,912	35,636	35	12,215
Colusa	7,621	192,947	15,960	57	4,071	22,548	57	5,475
Contra Costa	364,395	18,352,497	33,006	1	166,373	59,638	2	773,677
Del Norte	7,490	211,200	20,917	38	3,908	34,311	39	4,993
El Dorado	46,931	1,929,587	30,211	5	26,730	47,272	10	62,739
Fresno	250,308	7,595,090	18,987	51	113,263	34,085	40	239,304
Glenn	9,196	235,838	18,214	55	4,937	27,509	56	5,697
Humboldt	44,651	1,309,788	20,810	40	20,310	36,567	33	36,923
Imperial	45,794	1,104,485	14,567	58	25,452	19,743	58	28,249
Inyo	7,515	230,374	22,172	31	3,715	38,152	26	6,216
Kern	193,855	7,068,056	21,175	35	94,712	37,134	30	174,345
Kings	32,595	886,263	19,001	50	16,251	31,196	46	22,573
Lake	17,991	479,917	19,354	47	9,196	29,686	51	11,416
Lassen	9,329	296,034	25,749	12	5,178	39,262	24	7,291
Los Angeles	3,314,805	121,914,582	21,107	36	1,232,541	37,629	29	4,923,929
Madera	35,756	983,199	18,387	54	18,740	30,512	48	25,499
Marin	116,395	7,538,233	32,401	2	45,104	66,962	1	420,018
Mariposa	5,942	167,511	20,910	39	3,039	32,807	45	4,170
Mendocino	31,986	926,748	19,900	44	14,989	33,130	43	28,194
Merced	60,064	1,471,481	18,746	53	30,387	30,554	47	41,727
Modoc	2,892	66,364	19,401	46	1,607	28,660	54	1,698
Mono	4,402	125,700	19,281	49	1,777	37,690	28	3,393
Monterey	129,250	4,358,223	19,972	43	58,374	33,647	41	151,234
Napa	46,429	1,825,896	25,614	13	21,387	43,770	13	68,995
Nevada	33,609	1,143,182	24,478	17	17,558	38,573	25	33,266
Orange	1,076,817	44,681,495	25,530	14	459,807	48,655	8	1,827,050
Placer	97,331	3,946,530	28,385	7	49,071	48,768	7	134,210
Plumas	7,261	215,076	22,217	30	3,969	35,411	36	5,534
Riverside	453,284	14,573,640	22,380	29	221,967	37,855	27	411,802
Sacramento	422,074	15,211,535	26,523	9	176,238	46,132	12	479,229
San Benito	16,876	555,227	21,581	34	8,259	40,794	17	15,998
San Bernardino	487,295	16,720,873	24,217	18	234,550	40,754	19	441,662
San Diego	960,080	35,856,068	23,327	24	418,834	40,946	16	1,215,969
San Francisco	369,195	16,361,294	25,241	15	99,751	40,755	18	784,071
San Joaquin	172,256	5,692,303	23,398	22	83,562	40,616	20	171,117
San Luis Obispo	85,726	2,860,468	23,127	25	40,568	39,944	21	87,873
San Mateo	308,567	17,167,731	31,147	3	126,529	57,452	4	863,600
Santa Barbara	151,749	5,214,092	22,475	27	66,907	39,290	23	230,733
Santa Clara	717,648	37,613,951	30,893	4	289,108	59,444	3	1,797,975
Santa Cruz	105,662	4,006,544	22,800	26	42,503	43,411	14	153,658
Shasta	56,637	1,779,621	22,072	32	29,959	34,998	37	51,501
Sierra	1,203	35,792	24,069	19	657	36,832	31	921
Siskiyou	16,210	432,026	19,430	45	8,534	30,006	49	10,849
Solano	135,254	4,051,865	29,296	6	64,412	49,968	6	142,897
Sonoma	179,767	6,779,643	25,996	11	78,857	46,467	11	231,091
Stanislaus	143,439	2,947,360	21,725	33	71,377	36,715	32	128,272
Sutter	26,310	796,138	20,924	37	14,128	33,410	42	22,305
Tehama	16,251	422,318	18,894	52	8,646	28,813	53	10,407
Trinity	4,319	115,690	20,107	41	2,339	29,965	50	2,906
Tulare	113,524	2,897,866	16,423	56	55,290	28,275	55	76,040
Tuolumne	18,269	558,625	22,427	28	9,773	34,401	38	14,834
Ventura	281,369	10,917,403	26,210	10	133,610	47,458	9	414,669
Yolo	56,906	2,064,019	23,393	23	25,019	43,050	15	68,312
Yuba	17,215	438,958	19,313	48	8,958	29,012	52	9,082
Unallocated a/	158,468	5,923,814	22,484	--	66,133	43,598	--	275,360
Resident out-of-state b/	105,860	4,848,041	20,128	--	37,537	38,131	--	233,474
Nonresident	380,769	60,109,462	38,300	--	219,988	57,263	--	488,000
Total	12,609,381	\$531,430,017	\$24,128	--	5,358,554	\$43,006	--	\$18,858,501

a/ Unable to determine county of residence from tax returns.

b/ Resident returns filed with out-of-state address.

c/ Detail may not add to totals due to rounding.

Source: California Franchise Tax Board

Table 17

**Number of Personal Income Tax Returns
Adjusted Gross Income,
Taxable Income & Tax Assessed
1960 to 1994**

(Dollars in Millions)				
Taxable Year	Number of Returns	Adjusted Gross Income	Taxable Income	Tax Assessed
1960	4,239,099	\$31,234	\$13,338	\$256
1961	4,454,831	33,582	14,625	291
1962	4,558,688	35,878	15,834	304
1963	4,851,770	38,835	17,382	338
1964	4,981,588	42,133	19,412	392
1965	5,167,529	45,234	21,089	433
1966	5,445,732	48,693	23,442	479
1967	5,449,456	52,828	43,253	948
1968	5,334,038	56,636	44,663	1,062
1969	5,586,849	60,874	47,984	1,089
1970	5,554,362	63,190	49,434	1,212
1971	5,690,817	67,785	52,619	1,133
1972	6,972,468	78,372	60,904	1,691
1973	7,490,292	85,534	66,864	1,537
1974	7,929,997	93,727	73,917	2,361
1975	8,124,290	101,598	80,476	2,759
1976	8,620,249	115,605	91,732	3,360
1977	8,989,797	132,781	105,756	4,225
1978	9,448,710	149,104	119,659	4,174
1979	10,190,263	169,787	136,692	5,973
1980	10,335,674	189,297	150,455	6,206
1981	10,661,919	209,942	165,130	6,774
1982	10,721,424	224,864	175,606	7,241
1983	10,950,080	244,257	188,844	8,425
1984	11,630,329	290,104	229,859	9,817
1985	11,857,200	306,006	240,023	10,636
1986	12,241,172	340,364	266,290	12,586
1987 a/	12,649,850	382,329	316,237	12,872
1988	13,184,346	425,656	356,205	15,049
1989	13,574,087	475,433	384,574	16,054
1990	13,392,893	483,315	389,236	16,138
1991	13,414,101	445,237	382,692	15,766
1992	13,333,732	457,501	400,315	16,573
1993	12,447,422	455,141	399,495	16,513
1994	12,474,141	496,095	411,630	16,787

a/ Changes in the Personal Income Tax Law effective with returns for the 1987 taxable year make prior year information not comparable.

Table 18

**Corporate Income Reported for
State Taxation, 1960 to 1994**

Number of Corporations a/					Income Reported for State Taxation, (\$ mill.)		
Year b/	Total	With Net Income	With Net Loss	No Income or Loss	Total	Net	Net
						Income c/	Loss d/
1960	101,081	56,987	28,743	15,351	3,517	4,182	(665)
1961	105,645	59,746	31,802	14,097	3,717	4,509	(792)
1962	110,294	63,400	31,954	14,940	3,970	4,754	(784)
1963	114,667	66,496	33,667	14,504	4,283	5,092	(809)
1964	118,860	69,555	34,254	15,051	4,626	5,526	(900)
1965	122,399	71,484	35,625	15,290	5,126	6,007	(881)
1966	124,690	73,076	35,664	15,950	5,643	6,638	(995)
1967	125,677	73,433	38,188	14,056	5,252	6,456	(1,203)
1968	128,505	77,238	36,754	14,513	6,003	7,255	(1,251)
1969	136,695	80,348	38,627	17,720	5,643	7,477	(1,834)
1970	145,352	81,340	44,318	19,694	4,386	6,712	(2,326)
1971	151,216	83,664	47,621	19,931	4,804	7,249	(2,445)
1972	158,932	91,055	47,214	20,663	6,465	8,561	(2,096)
1973	165,676	97,377	46,937	21,362	7,911	10,208	(2,296)
1974	172,185	102,680	49,962	19,543	8,978	11,734	(2,757)
1975	177,665	106,213	53,965	17,487	8,362	11,672	(3,309)
1976	184,326	113,614	54,249	16,463	11,916	14,808	(2,892)
1977	200,393	124,175	57,949	18,269	14,941	17,830	(2,889)
1978	221,527	138,495	63,725	19,307	18,728	21,974	(3,246)
1979	248,188	154,468	72,343	21,377	20,735	24,826	(4,091)
1980	275,493	165,183	86,482	23,828	20,654	25,825	(5,171)
1981	299,215	172,122	101,398	25,695	16,367	24,214	(7,847)
1982	326,264	175,054	120,964	30,246	10,745	22,828	(12,083)
1983	337,165	184,408	125,149	27,614	16,485	26,628	(10,143)
1984	397,854	208,566	149,831	39,456	19,349	31,742	(12,393)
1985	388,244	207,388	139,408	41,448	21,120	34,308	(13,188)
1986	414,602	216,677	149,684	48,241	25,457	40,043	(14,585)
1987	464,186	245,505	164,933	53,748	29,719	45,619	(15,900)
1988	448,486	229,226	165,917	53,343	32,372	50,753	(18,381)
1989	447,714	229,559	166,444	51,711	32,911	52,884	(19,973)
1990	446,890	230,426	167,929	48,535	28,974	53,268	(24,295)
1991	432,242	219,405	174,468	38,369	19,045	44,177	(25,132)
1992	418,135	213,264	174,740	30,131	16,114	44,970	(28,856)
1993	418,108	217,858	170,818	29,432	20,118	48,332	(28,214)
1994	414,201	229,352	157,739	27,110	33,105	57,424	(24,319)

a/ Includes a slight amount of duplication as a result of mergers, consolidations, changes in corporate names and changes of income year, which necessitated filing more than one state franchise tax return during the year. In 1961, this duplication amounted to approximately 205 corporations, or 0.5 percent of the total.

b/ Includes corporations with fiscal years ending in the calendar year shown.

c/ Income of all corporations reporting net income.

d/ Income of all corporations reporting net loss.

Source: California Franchise Tax Board

Table 19

**Bank and Corporation Franchise Tax Returns Reporting Net Income
Subject to State Taxation, By Industry, 1993 and 1994 a/
(Dollars in Thousands)**

Industry	1993 Income Year				1994 Income Year			
	Corporations Reporting Net Income Subject to State Taxation		All Reporting Corporations		Corporations Reporting Net Income Subject to State Taxation		All Reporting Corporations	
	Number	Net Income	Number	Net Income Less Net Loss	Number	Net Income	Number	Net Income Less Net Loss
Agriculture and Mining	5,886	\$821,918	11,095	\$127,555	6,151	\$845,393	10,914	\$242,949
Construction	15,664	1,082,253	32,991	(159,591)	17,157	1,439,798	31,852	602,476
Manufacturing	23,188	16,170,723	44,297	10,042,576	25,143	19,520,492	44,391	14,134,751
Light manufacturing b/	10,475	5,781,963	20,343	3,690,847	11,268	6,830,604	20,570	4,762,547
Heavy manufacturing c/	12,713	10,388,760	23,954	6,351,729	13,875	12,689,888	23,821	9,372,204
Services	86,624	6,136,659	159,258	1,820,806	90,306	7,500,147	158,828	3,240,281
Business services	20,146	2,162,733	38,453	1,040,434	23,320	2,698,052	42,509	1,387,333
Professional services d/	25,187	588,600	40,627	278,319	25,553	791,101	41,024	502,591
Other services e/	41,291	3,385,326	80,178	502,053	41,433	4,010,994	75,295	1,350,357
Trade	45,812	7,844,182	90,705	2,986,171	49,113	9,624,455	90,243	5,489,521
Wholesales trade	23,038	4,206,862	42,659	1,803,313	24,268	5,039,275	44,945	2,765,197
Retail trade	22,774	3,637,320	48,046	1,182,858	24,845	4,585,180	45,298	2,724,324
Finance, Insurance and Real Estate	35,904	9,043,517	70,417	(1,006,063)	36,432	10,050,856	69,029	1,965,758
Banks, savings and loans and other lending institutions f/	1,089	4,715,886	1,737	(136,359)	1,495	5,282,892	2,392	2,286,129
Real estate	16,552	1,562,652	30,325	(837,735)	11,915	1,483,384	23,950	(658,021)
Investment and insurance companies and other financials	18,263	2,764,979	38,355	(31,969)	23,022	3,284,580	42,687	337,650
Utilities g/	4,780	7,232,896	9,345	6,306,533	5,048	8,443,010	8,944	7,429,688
Total	217,858	\$48,332,148	418,108	\$20,117,987	229,352	\$57,424,151	414,201	\$33,105,424

a/ Derived from a stratified random sample of 10,362 returns.

b/ Includes beverages, food and kindred products; textile mill products; apparel and products made from fabric, wood products, except furniture; furniture and fixtures; printing, publishing and allied industries; precision equipment; ordinance and accessories manufacturers; tobacco manufacturers; leather and leather products manufacturers; and other manufacturers not elsewhere classified.

c/ Includes paper and allied products; chemicals and allied products; petroleum, coal and rubber products; stone, clay and glass products; primary metals; electrical machinery and equipment; transportation equipment; other equipment and other fabricated metal products.

d/ Includes doctors, dentists, psychiatrists, physical therapists, and lawyers who are incorporated as professional corporations.

e/ Includes motion picture production, amusement services, personal services, hotels, employment agencies, automotive repair services and garages, miscellaneous repair services and hand trades, medical and other health services, educational institutions and agencies, other professional and social-service agencies and institutions and corporations whose nature of business was not determinable.

f/ National and state banks, savings and loan associations and other financial institutions are subject to (a) the general franchise tax rate of 9.3 percent (or 2.5 percent if a financial S corporation) plus (b) the bank and financial in-lieu tax rate imposed under the provisions of Section 23186 of the Bank and Corporation Tax Law. For income years ending in 1993, the in-lieu rate was 1.807 percent, for a combined 11.107 percent (or 4.307 percent if a financial S corporation) tax rate. The bank and financial corporation rate is in lieu of all other local taxes and licenses, except real property taxes, automobile registration and license fees, sales taxes, utility users taxes, state energy-resources and emergency-telephone surcharges.

g/ Includes transportation, communications, electrical and gas utilities and other public utilities.

Table 20

**Agricultural
Wage and Salary Employment
California, 1972 to 1996
(In Thousands)**

Year	Total	Agricultural Production	Agricultural Services a/
1972	268.1	208.3	59.8
1973	288.9	222.4	66.6
1974	308.1	236.9	71.2
1975	315.7	243.7	72.0
1976	323.5	248.2	75.3
1977	314.7	241.7	72.9
1978	323.9	245.1	78.9
1979	338.6	253.6	85.0
1980	352.3	261.9	90.3
1981	354.4	258.6	95.8
1982	358.9	260.7	98.3
1983	347.3	250.3	97.1
1984	347.3	248.6	98.7
1985	335.4	232.7	102.7
1986	327.6	222.0	105.6
1987	345.0	227.2	117.8
1988	369.3	239.2	130.2
1989	371.4	233.7	137.7
1990	363.6	229.7	133.8
1991	342.0	218.2	123.8
1992	351.6	225.7	125.9
1993	362.3	222.2	140.1
1994	379.7	224.0	155.7
1995	373.5	228.4	145.1
1996	380.5	230.9	149.7
1996 January	294.9	174.1	120.8
February	301.1	178.8	122.3
March	307.1	185.2	121.9
April	371.3	226.7	144.6
May	430.3	258.9	171.4
June	448.0	266.5	181.5
July	438.5	266.5	172.0
August	459.5	279.8	179.7
September	453.7	281.1	172.6
October	403.8	249.3	154.5
November	341.4	209.7	131.7
December	316.9	193.9	123.0

a/ Agricultural services includes forestry and fishing, but excludes veterinary, other animal, and landscape and horticultural services.

Source: California Employment Development Department

Table 21

**California Cash Farm Income,
Noncash Income, Inventory Adjustment,
Production Expenses and Income, 1960 to 1995
(Dollars in Millions)**

Year	Cash Farm Income a/	Non- Cash Income b/	Inven- tory Adjust- ment	Gross Farm Income c/	Production Expenses	Net Farm Income d/
1960	\$3,271	\$134	\$45	\$3,450	\$2,476	\$974
1961	3,317	146	(5)	3,458	2,577	881
1962	3,485	143	87	3,715	2,758	957
1963	3,582	146	3	3,731	2,827	904
1964	3,747	149	15	3,911	2,842	1,069
1965	3,803	154	60	4,017	3,043	974
1966	4,188	156	(40)	4,304	3,212	1,092
1967	4,096	150	17	4,263	3,297	966
1968	4,452	151	39	4,642	3,474	1,168
1969	4,656	154	(62)	4,749	3,661	1,088
1970	4,717	152	(16)	4,854	3,828	1,025
1971	5,028	161	21	5,210	4,193	1,017
1972	5,698	171	15	5,884	4,324	1,560
1973	7,401	192	160	7,753	5,197	2,556
1974	8,678	223	162	9,063	6,197	2,866
1975	8,587	265	81	8,933	6,599	2,334
1976	9,214	291	(25)	9,479	7,231	2,248
1977	9,623	295	6	9,924	7,584	2,340
1978	10,846	340	(19)	11,166	8,536	2,631
1979	13,067	466	208	13,741	10,034	3,707
1980	14,116	581	211	14,907	10,809	4,098
1981	14,205	688	614	15,506	11,476	4,030
1982	14,872	783	(449)	15,206	12,003	3,203
1983	13,818	801	(124)	14,495	11,936	2,558
1984	14,984	796	304	16,084	12,179	3,905
1985	14,947	648	136	15,731	11,771	3,960
1986	15,567	332	(393)	15,505	11,106	4,399
1987	16,654	365	6	17,025	11,197	5,828
1988	17,398	443	34	17,875	12,061	5,814
1989	18,959	573	(63)	19,469	13,497	5,972
1990	20,003	574	(86)	20,491	14,761	5,730
1991	18,601	534	228	19,364	15,184	4,180
1992	19,982	531	(203)	20,309	14,962	5,348
1993	21,465	579	137	22,181	16,310	5,870
1994	22,103	637	1	22,741	17,166	5,575
1995	23,048	634	(220)	23,462	19,115	4,347

a/ Receipts from marketings plus government payments and other farm income.

b/ Value of home consumption and gross rental value of farm dwellings.

c/ Net farm income before adjustment plus net change in inventories.

d/ Includes farm operators' dwellings located on farms.

May not total due to rounding.

Source: U.S. Department of Agriculture, Economic Research Service

Table 22

**California Cash Farm Income, All Crops
Livestock and Poultry, Other Farm Income,
And Government Payments, 1960 to 1995**
(Dollars in Millions)

Year	Cash Farm Income a/	All Crops	Livestock and Poultry	Other Farm Related Income b/	Govern- ment Payments
1960	\$3,271	\$1,976	\$1,246	\$27	\$22
1961	3,317	1,985	1,278	26	28
1962	3,485	2,081	1,344	28	32
1963	3,582	2,170	1,350	30	32
1964	3,747	2,369	1,309	35	34
1965	3,803	2,295	1,427	40	41
1966	4,188	2,477	1,565	42	104
1967	4,096	2,374	1,564	48	110
1968	4,452	2,679	1,621	51	101
1969	4,656	2,711	1,768	54	123
1970	4,717	2,718	1,815	52	132
1971	5,028	2,980	1,876	59	113
1972	5,698	3,430	2,086	60	122
1973	7,401	4,659	2,563	73	106
1974	8,678	5,796	2,786	78	18
1975	8,587	5,674	2,800	97	16
1976	9,214	6,173	2,923	105	13
1977	9,623	6,495	2,947	106	75
1978	10,846	7,302	3,381	107	57
1979	13,067	8,658	4,227	122	61
1980	14,116	9,899	4,089	115	14
1981	14,205	9,839	4,219	124	23
1982	14,872	10,089	4,393	255	135
1983	13,818	9,015	4,213	237	353
1984	14,984	9,891	4,529	229	335
1985	14,947	9,955	4,348	342	302
1986	15,567	10,372	4,463	344	388
1987	16,654	11,396	4,442	354	462
1988	17,398	11,965	4,682	416	335
1989	18,959	12,920	5,193	474	372
1990	20,003	13,677	5,533	541	252
1991	18,601	12,527	5,247	566	261
1992	19,982	13,936	5,100	516	430
1993	21,465	14,952	5,382	610	522
1994	22,103	15,793	5,489	549	273
1995	23,048	16,713	5,549	549	238

a/ Receipts from marketings plus government payments and other farm income.

b/ Includes forest product sales, recreational income and other farm business income. Estimates for 1982 and later include income from custom feeding services.

May not add due to rounding.

Source: U.S. Department of Agriculture, Economic Research Service

Table 23

**California Cash Farm Receipts
From Crops, 1960 to 1995**
(Dollars in Millions)

Year	All Crops	Fruits and Nuts	Vege- tables	Field Crops	Nursery Products
1960	\$1,976	\$586	\$448	\$830	\$112
1961	1,985	587	475	804	119
1962	2,081	601	522	826	132
1963	2,170	647	505	879	139
1964	2,369	724	563	917	165
1965	2,295	631	594	900	170
1966	2,477	712	690	893	182
1967	2,374	666	713	807	188
1968	2,679	786	855	842	196
1969	2,711	848	782	864	217
1970	2,718	824	771	889	234
1971	2,980	935	915	884	246
1972	3,430	1,018	1,050	1,071	291
1973	4,659	1,554	1,191	1,549	365
1974	5,796	1,503	1,490	2,382	421
1975	5,674	1,507	1,633	2,064	470
1976	6,173	1,608	1,589	2,427	549
1977	6,495	2,017	1,889	2,001	588
1978	7,302	2,555	2,125	1,957	665
1979	8,658	3,151	2,232	2,470	805
1980	9,899	3,252	2,557	3,184	906
1981	9,839	3,182	2,846	2,871	940
1982	10,089	3,416	2,734	2,995	944
1983	9,015	2,718	2,952	2,328	1,017
1984	9,891	3,246	3,113	2,287	1,245
1985	9,955	3,344	2,892	2,425	1,294
1986	10,372	3,661	3,173	2,200	1,338
1987	11,396	4,118	3,556	2,258	1,464
1988	11,965	4,575	3,381	2,462	1,548
1989	12,920	4,713	3,766	2,705	1,736
1990	13,677	5,144	3,784	2,818	1,932
1991	12,527	4,768	3,636	2,188	1,936
1992	13,936	5,400	4,059	2,593	1,882
1993	14,952	5,743	4,832	2,474	1,903
1994	15,793	5,615	5,092	3,099	1,986
1995	16,713	5,682	5,747	3,111	2,172

Source: U.S. Department of Agriculture,
Economic Research Service

Table 24

**Nonresidential Construction Authorized
By Permit, California, 1970 to 1996**
(Dollars in Thousands)

Year	Commer- cial	Industrial	Other	Additions and Alterations	Total
1970	\$1,089,054	\$288,077	\$674,969	\$491,669	\$2,543,764
1971	1,401,364	326,049	978,580	263,473	2,969,469
1972	1,437,511	464,702	865,306	281,118	3,048,634
1973	1,349,105	717,549	828,827	337,156	3,230,637
1974	1,260,018	736,532	902,675	359,502	3,258,723
1975	1,296,132	491,032	952,261	366,794	3,106,221
1976	1,327,749	629,515	1,067,335	443,049	3,467,649
1977	1,890,490	1,093,685	1,229,912	498,550	4,712,638
1978	2,477,474	1,556,132	1,318,691	606,069	5,958,365
1979	3,377,019	1,812,478	1,383,480	721,923	7,294,901
Revised definition a/					
1980	3,274,077	1,276,735	1,202,941	1,716,358	7,470,107
1981	4,034,262	1,484,012	1,308,222	2,079,349	8,905,843
1982	4,176,487	1,051,366	1,401,367	2,100,651	8,729,875
1983	4,456,644	1,312,567	1,478,114	2,663,477	9,910,801
1984	5,643,180	2,020,359	1,561,724	2,747,846	11,973,109
1985	6,235,954	1,956,566	1,800,293	3,324,965	13,317,778
1986	5,780,519	2,135,479	1,886,448	3,392,460	13,194,906
1987	5,686,771	1,803,318	1,747,206	3,664,011	12,901,306
1988	6,568,580	1,802,032	1,769,095	4,020,603	14,160,310
1989	6,159,419	1,704,750	1,518,323	4,283,608	13,666,100
1990	5,269,845	1,591,383	1,643,771	4,230,541	12,735,540
1991	3,373,613	892,001	1,282,585	4,071,799	9,619,998
1992	2,472,449	625,998	1,233,855	3,823,541	8,155,843
1993	2,136,925	489,229	1,067,307	3,863,428	7,556,889
1994	2,108,066	649,629	1,051,277	4,080,657	7,889,629
1995	2,308,911	732,874	1,050,693	4,062,273	8,154,751
1996 p/	2,746,597	1,124,661	1,151,909	4,532,550	9,555,717

a/ Prior to 1980 all additions and alterations of \$100,000 or more were recorded as new construction in the commercial, industrial or other categories.

p/ Preliminary

Source: Construction Industry Research Board, Security Pacific National Bank (1970-86)

Table 25

**Residential Construction Authorized
By Permit, California, 1970 to 1996**

Year				Valuation (\$ mill.)	
	Units			Additions	Total
	Total	Single	Multiple	Alterations	Residential
1970	195,692	71,344	124,348	\$271	\$3,177
1971	256,989	113,260	143,729	303	4,529
1972	279,670	124,064	155,606	330	5,390
1973	216,079	102,571	113,508	350	4,883
1974	129,229	76,204	53,025	434	3,687
1975	131,732	89,823	41,909	429	4,541
1976	221,940	140,293	81,647	659	8,023
1977	270,640	174,874	95,766	840	10,494
1978	243,805	141,537	102,268	947	10,604
1979	210,076	127,499	82,577	1,103	10,791
1980	144,987	86,632	58,355	1,234	9,098
1981	104,873	59,973	44,900	1,235	7,520
1982	84,373	49,852	34,521	1,242	6,179
1983	168,358	99,299	69,059	1,493	11,511
1984	218,007	107,346	110,661	1,567	14,514
1985	263,682	109,809	153,873	1,683	17,599
1986	302,934	143,013	159,921	1,870	22,319
1987	253,171	136,128	117,043	2,164	22,116
1988	255,559	162,167	93,392	2,473	26,361
1989	237,747	162,651	75,096	2,968	27,790
1990	164,313	103,819	60,494	3,231	20,686
1991	105,919	73,809	32,110	3,048	15,056
1992	97,407	76,187	21,220	2,929	14,451
1993	84,656	69,901	14,755	2,540	12,954
1994	97,047	77,115	19,932	2,689	14,852
1995	85,293	68,689	16,604	2,648	13,879
1996 p/	94,203	74,867	19,336	2,444	15,277

p/ Preliminary

Source: Construction Industry Research Board
Security Pacific National Bank (1970-86)

Table 26

**Taxable Transactions in California,
by Type of Business, 1989 to 1995**
(Dollars in Millions)

	1989	1990	1991	1992	1993	1994	1995
Total, all outlets	\$272,089	\$281,860	\$270,845	\$272,368	\$272,124	\$285,975	\$300,956
Retail stores	175,766	181,655	176,573	179,275	179,015	187,088	194,378
Apparel stores	9,743	10,345	10,433	10,384	10,403	10,620	10,470
General merchandise and drug stores a/	29,341	30,557	30,911	32,461	32,289	33,492	34,036
Specialty stores	22,303	23,773	23,678	23,850	24,357	26,443	28,480
Grocery stores b/	14,222	14,893	16,382	17,459	14,609	14,323	14,469
Liquor stores	2,022	2,017	1,991	1,978	1,776	1,711	1,725
Eating and drinking places	22,204	23,275	23,555	23,545	23,733	24,532	25,461
Home furnishings and appliance stores	9,405	9,581	9,178	8,893	8,878	9,755	10,228
Farm and garden	3,593	3,659	3,221	3,063	3,283	3,492	3,722
Building materials	14,332	14,191	12,686	12,213	12,546	13,135	13,437
New car dealers	26,538	25,828	22,246	21,990	23,388	25,096	26,959
Automotive group c/	22,063	23,536	22,293	23,437	23,753	24,490	25,392
Other							
Business and personal services	12,767	13,755	13,323	13,032	13,319	13,918	14,635
All other outlets	83,555	86,451	80,949	80,061	79,791	84,968	91,944

a/ Excludes exempt sales of prescription medicines.

b/ Excludes exempt sales of food for home consumption.

c/ Excludes new car dealers.

Numbers independently rounded.

Source: California Board of Equalization

Table 27

**Taxable Transactions in California and
Outstanding Sales Tax Permits, by Type of Outlet
1960 to 1996**

Year	Taxable Transactions (Dollars in Millions)		Sales Tax Permits Outstanding a/			
	All Outlets	Retail Stores	Total	Retail Stores b/	Personal Service Shops	Other c/
1960	\$23,361	\$15,645	346,706	150,512	58,997	137,197
1961	23,987	16,077	351,540	148,899	59,516	143,125
1962	25,969	17,522	355,403	151,769	57,591	146,043
1963	27,892	18,893	362,614	154,517	57,105	150,992
1964	30,265	20,550	372,387	157,344	56,749	158,294
1965	31,908	21,516	381,203	161,109	56,002	164,092
1966	34,236	22,624	389,867	163,087	55,326	171,454
1967	35,122	23,512	392,705	163,821	54,624	174,260
1968	39,007	26,168	401,980	165,285	54,993	181,702
1969	42,378	28,254	411,375	167,887	55,066	188,422
1970	43,223	28,699	426,766	171,094	56,173	199,499
1971	46,815	31,496	440,935	173,343	57,359	210,233
1972	53,714	36,518	459,616	177,261	58,815	223,540
1973	61,738	42,119	474,733	180,330	59,943	234,460
1974	68,071	45,797	492,937	182,570	60,918	249,449
1975	73,476	49,800	520,499	187,399	62,951	270,149
1976	83,822	57,343	552,162	193,925	65,868	292,369
1977	99,482	67,491	583,704	200,452	69,271	313,981
1978	113,468	76,366	611,397	206,951	72,003	332,443
1979	131,678	87,270	642,152	212,804	75,185	354,163
1980	142,759	94,211	673,679	218,945	78,272	376,462
1981	155,127	101,666	698,080	223,201	79,952	394,927
1982	154,553	102,009	740,577	230,023	83,223	427,331
1983	169,413	113,350	764,815	233,522	85,697	445,596
1984	194,014	126,736	783,718	240,108	88,839	454,771
1985	208,574	135,901	808,549	246,878	92,465	469,206
1986	217,465	141,880	841,630	258,248	96,886	486,496
1987	231,870	150,252	867,132	271,330	100,689	495,113
1988	251,078	162,517	880,216	281,218	103,748	495,250
1989	272,089	175,766	898,222	290,982	106,253	500,987
1990	281,860	181,655	928,953	302,356	108,199	518,398
1991	270,845	176,573	928,764	306,870	106,949	514,945
1992	272,368	179,275	956,241	319,342	108,387	528,512
1993	272,124	179,015	970,355	326,234	108,413	535,708
1994	285,975	187,088	979,341	332,958	107,748	538,635
1995	300,956	194,378	983,574	337,374	106,896	539,304
1996	n.a.	n.a.	974,756	339,587	105,281	529,888

a/ Permits as of July 1.

b/ Exclusive of itinerant and mail-order vendors.

c/ Consists of manufacturing, wholesaling, contracting, and miscellaneous outlets and itinerant and mail-order vendors.

n.a. Not available

Source: California Board of Equalization

Table 28

California Travel Spending, Selected Years
(In millions)

Spending by type of business	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995 r/	1996 p/
Total	\$30,390	\$33,670	\$37,750	\$41,680	\$45,330	\$47,080	\$49,650	\$51,330	\$52,970	\$55,729	\$58,293
Air transport	5,780	6,360	6,950	7,690	8,400	8,930	9,340	9,670	9,450	10,027	10,529
Travel arrangement	250	280	320	350	380	390	390	380	400	409	415
Destination spending:											
Total	24,360	27,030	30,490	33,640	36,560	37,760	39,910	41,280	43,110	45,293	47,348
Retail shopping	5,810	6,440	7,240	8,000	8,700	8,990	9,620	10,060	11,240	11,725	12,234
Restaurants	4,340	4,810	5,430	5,980	6,500	6,720	7,060	7,260	7,090	7,494	7,848
Lodging	3,950	4,450	5,100	5,620	6,090	6,270	6,460	6,510	6,710	7,202	7,593
Recreation	2,900	3,230	3,630	4,000	4,340	4,480	4,780	4,950	5,440	5,720	5,967
Ground transport	5,300	5,860	6,610	7,310	7,960	8,210	8,760	9,120	9,360	9,764	10,185
Food stores	2,050	2,240	2,490	2,730	2,970	3,090	3,230	3,390	3,270	3,388	3,521
Destination spending by type of traveler	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995 r/	1996 p/
Hotel, motel, b&b guests	10,290	11,860	13,710	15,230	16,520	16,910	17,480	17,630	17,940	19,320	20,350
Day visitors	6,070	6,890	7,690	8,610	9,390	9,630	10,380	10,990	11,740	12,210	12,730
Private home guests	5,300	5,450	5,800	6,230	6,740	7,220	7,800	8,370	8,970	9,081	9,330
Vacation home renters	1,360	1,440	1,520	1,630	1,740	1,840	1,900	1,920	1,950	2,104	2,216
Campers	1,340	1,390	1,770	1,940	2,160	2,170	2,360	2,370	2,510	2,571	2,727

r/ Revised

p/ Preliminary

Differences reflect revised data and changes in methodology.

Detail may not add due to rounding.

Source: California Trade and Commerce Agency

Table 29

**Domestic Demand and Time Deposits,
All Insured Commercial Banks
California, 1960 to 1996
(Dollars in Millions)**

Year a/	Demand Deposits	Time and Savings Deposits
1960	\$12,954	\$11,385
1961	14,232	12,851
1962	14,426	14,593
1963	14,939	16,042
1964	15,683	17,983
1965	15,232	20,109
1966	15,671	21,614
1967	17,492	23,762
1968	19,003	26,418
1969	19,989	23,513
1970	20,713	28,636
1971	22,463	33,699
1972	26,607	37,461
1973	28,060	42,789
1974	27,916	51,268
1975	30,679	54,634
1976	32,119	56,775
1977	37,516	63,494
1978	40,925	72,501
1979	44,979	77,045
1980	44,975	92,361
1981	42,684	109,634
1982	40,532	124,742
1983	45,550	133,137
1984	47,962	135,915
1985	54,451	140,151
1986	66,355	141,489
1987	55,674	143,533
1988	60,022	152,406
1989	62,446	168,830
1990	59,552	187,602
1991	61,396	194,229
1992	66,359	182,296
1993	66,134	172,408
1994	67,942	166,848
1995	73,192	167,791
1996 p/	83,530	185,385

a/ As of December call reports,
not seasonally adjusted.
p/ Preliminary

Source: Federal Reserve Bank of San Francisco

Table 30

**Gross Domestic Loans by Major Categories
All Insured Commercial Banks
California, 1960 to 1996
(Dollars in Millions)**

Year a/	Commercial					Total
	Real Estate Loans	and Industrial Loans	Agri- cultural Loans	Loans to Individuals	Other	
1960	\$5,181	\$4,762	\$483	\$2,648	\$1,223	\$14,297
1961	5,358	5,122	507	2,769	1,313	15,069
1962	6,153	5,668	560	3,151	1,697	17,228
1963	7,027	6,009	643	3,634	2,376	19,689
1964	7,512	7,081	644	4,208	2,594	22,040
1965	7,974	8,284	730	4,686	2,581	24,256
1966	8,268	9,318	776	4,924	2,401	25,688
1967	8,485	10,112	803	5,126	2,281	26,807
1968	9,230	11,631	823	5,793	2,714	30,192
1969	9,545	12,276	866	6,045	2,990	31,723
1970	9,592	12,965	855	5,903	3,147	32,463
1971	10,871	13,682	990	6,659	4,193	36,395
1972	12,784	15,145	1,255	7,808	6,034	43,027
1973	15,607	18,831	1,559	8,846	7,056	51,899
1974	17,063	21,334	1,584	9,363	7,589	56,934
1975	16,724	20,154	1,614	10,023	7,122	55,637
1976	18,431	19,472	1,860	11,609	6,728	58,101
1977	23,648	21,633	2,020	14,637	6,795	68,733
1978	30,815	25,353	2,292	18,205	7,137	83,803
1979	39,082	30,257	2,655	22,076	6,349	100,418
1980	46,504	33,895	2,848	22,049	6,112	111,408
1981	52,294	39,529	3,345	21,960	10,794	127,922
1982	53,674	46,275	3,763	22,041	14,245	139,997
1983	54,418	48,847	4,136	23,898	17,486	148,785
1984	57,821	49,013	3,935	28,953	14,179	153,901
1985	61,884	49,302	3,377	34,215	16,019	164,797
1986	64,181	53,605	2,685	33,376	16,648	170,495
1987	69,951	50,274	2,475	31,615	13,199	167,514
1988	79,970	50,772	2,680	31,830	13,821	179,073
1989	102,498	52,003	2,636	32,837	15,559	205,533
1990	127,350	55,595	2,978	33,460	13,643	233,026
1991	127,445	49,814	3,016	31,931	14,174	226,380
1992	119,183	40,194	3,029	28,922	11,338	202,666
1993	107,178	33,510	3,186	23,987	23,534	191,395
1994	118,111	39,383	3,441	20,277	18,702	199,914
1995	117,260	44,409	3,688	19,049	25,252	209,658
1996 p/	123,152	51,532	4,045	25,044	31,980	235,753

a/ As of December call reports, except as noted.
p/ Preliminary

Detail may not add due to rounding.

Source: Federal Reserve Bank of San Francisco

Table 31

**Loans and Savings Capital,
Savings and Loan Associations a/
California, 1960 to 1996
(Dollars in Millions)**

Year	Mortgage Loans Closed During the Year	End of year Mortgage Loans Outstanding	End of Year Savings	Net new Savings During the Year b/
1960	\$2,955	\$9,141	\$8,885	n.a.
1961	4,147	11,241	10,778	n.a.
1962	5,590	13,941	13,339	n.a.
1963	7,691	17,677	16,536	n.a.
1964	7,137	20,529	19,300	n.a.
1965	5,825	22,176	20,993	n.a.
1966	2,953	22,477	21,215	(\$610)
1967	3,641	23,558	23,469	1,360
1968	3,914	25,154	24,283	(122)
1969	3,845	26,780	23,889	(1,395)
1970	3,517	28,250	25,040	115
1971	6,576	31,907	30,054	3,776
1972	8,809	37,199	35,660	4,114
1973	7,735	41,113	37,836	476
1974	6,413	43,758	39,359	(349)
1975	10,689	49,100	47,147	5,565
1976	17,903	58,553	57,102	7,218
1977	24,888	70,734	66,918	6,480
1978	24,391	80,765	74,896	4,180
1979	25,574	92,512	84,166	4,814
1980	16,074	98,196	89,693	106
1981	10,504	107,866	96,163	c/ (5,815)
1982	14,082	105,927	108,712	1,281
1983	42,594	132,297	147,857	29,205
1984	54,120	166,477	188,761	28,457
1984	56,024 d/	159,562 e/	189,788	28,355
1985	56,444	173,076	199,907	(4,056)
1986	84,949	183,485	218,132	6,062
1987	91,422	203,723	239,780	9,824
1988	100,451	238,317	258,855	3,400
1989	81,729	245,077	255,006	(20,202)
1990	74,275	233,839	249,133	(19,326)
1991	60,370	215,716	232,171	(18,524)
Newseries:				
1992	75,360	193,261	204,908	(22,505)
1993	72,199	184,007	195,835	(19,299)
1994	59,382	172,306	171,732	(5,547)
1995 f/	36,536	167,559	169,392	(2,196)
1996 f/ p/	39,660	174,923	166,833	(5,836)

a/ Beginning in 1992, savings associations and savings banks under the control of the Resolution Trust Corporation are excluded from the data.

b/ New savings received less withdrawals excludes interest credited to savings accounts before 1987.

c/ Beginning in 1981, includes data from branch offices outside of California.

d/ Not comparable to prior data due to a change in reporting. When a loan is refinanced at the same institution that held the original loan, the total amount of the refinanced loan is reported. Formerly, only the net amount of additional financing was included.

e/ Not comparable to prior data due to a change in reporting. Includes certain government-insured mortgages that were formerly excluded and excludes loans in process that were formerly included.

f/ Does not include savings and loan institutions that are not headquartered in California.

p/ Preliminary

n.a. Not available

Sources: Old series - Federal Home Loan Bank of San Francisco

Newseries - Office of Thrift Supervision

Table 32

**Selected Data on Federally
Chartered Credit Unions
California, 1960 to 1995 a/
(Dollars in Thousands)**

Year b/	Number of Credit Unions	Number of Members	Total Assets	Shares	Total Loans Outstanding
1960	1,014	787,450	\$383,723	\$340,165	\$313,245
1961	1,056	852,214	441,302	393,828	347,402
1962	1,081	927,654	511,824	453,316	409,969
1963	1,106	1,015,808	601,294	533,445	473,297
1964	1,128	1,102,380	699,250	618,385	550,150
1965	1,142	1,192,932	785,707	693,993	636,454
1966	1,185	1,309,746	861,285	753,300	718,046
1967	1,209	1,407,640	946,456	834,393	768,772
1968	1,225	1,492,051	1,055,097	923,136	883,881
1969	1,255	1,585,602	1,191,712	1,034,749	1,024,828
1970	1,249	1,181,164	1,360,754	1,181,164	1,109,716
1971	1,225	1,746,653	1,626,494	1,436,952	1,267,686
1972	1,232	1,871,287	1,928,350	1,715,276	1,471,791
1973	1,239	2,045,500	2,272,202	1,987,138	1,758,048
1974	1,230	2,282,543	2,737,187	2,367,268	2,106,113
1975	1,208	2,445,115	3,403,739	2,994,889	2,498,064
1976	1,189	2,683,441	4,185,397	3,668,616	3,150,913
1977	1,164	2,995,904	5,374,256	4,613,661	4,119,205
1978	1,143	3,421,378	6,374,125	5,408,209	5,110,916
1979	1,108	3,682,794	6,616,630	5,737,523	4,994,833
1980	1,057	3,968,900	6,950,809	6,286,440	4,410,825
1981	980	4,159,003	6,826,930	6,158,178	4,365,916
1982	906	4,446,793	7,275,638	6,631,732	4,420,910
1983	850	3,975,086	8,684,128	7,999,116	5,202,513
1984	814	3,990,110	10,847,424	9,533,799	6,448,805
1985	790	5,967,495	16,205,219	15,214,141	10,499,988
1986	766	4,307,160	15,211,422	14,011,223	8,889,415
1987 c/	742	n.a.	17,102,244	15,682,029	10,666,409
1988	712	5,059,752	18,629,617	17,019,032	12,266,802
1989	684	4,883,226	19,615,848	17,858,665	13,459,301
1990	650	4,998,281	21,271,589	19,328,704	13,971,533
1991	625	5,022,200	21,268,763	21,100,514	13,859,333
1992	605	4,934,018	25,837,643	23,294,827	13,770,205
1993	582	5,230,818	26,871,936	24,009,760	14,335,667
1994	576	5,080,085	28,456,799	25,087,017	16,487,583
1995 c/	564	n.a.	30,357,177	26,122,059	17,459,814

a/ Regulated by the National Credit Union Administration.

b/ As of December 31st.

c/ Due to a change in reporting procedures, state data on the number of members were not available.

n.a. Not available

Source: California Department of Corporations

Table 33

**Selected Data On
State Chartered Credit Unions
California, 1960 to 1995
(Dollars in Thousands)**

Year a/	Number of Credit Unions	Number of Members	Total Assets	Shares	Total Loans Outstanding	Real Estate Loans Outstanding
1960	568	573,548	\$304,885	\$263,793	\$266,374	\$41,676
1961	573	630,121	350,725	308,711	296,058	44,724
1962	578	675,287	396,343	343,890	340,125	47,736
1963	582	709,911	448,963	394,587	382,766	44,573
1964	597	788,816	513,302	449,214	437,040	53,971
1965	587	828,389	577,007	496,601	500,689	54,874
1966	623	889,636	639,154	549,351	568,782	64,561
1967	636	955,166	712,321	617,575	613,189	64,600
1968	626	1,006,190	795,758	684,727	696,891	83,837
1969	623	1,077,259	891,033	772,482	788,420	94,154
1970	631	1,139,372	998,764	868,721	858,839	101,161
1971	599	1,182,550	1,152,210	1,004,478	976,271	102,925
1972	590	1,248,463	1,330,711	1,160,215	1,105,569	110,489
1973	596	1,296,105	1,511,003	1,316,539	1,287,143	146,789
1974	591	1,312,193	1,615,949	1,420,664	1,396,985	185,955
1975	587	1,341,288	1,935,507	1,710,369	1,621,089	224,553
1976	576	1,503,437	2,232,994	2,057,351	1,991,402	297,474
1977	556	1,601,603	2,851,789	2,504,181	2,453,162	408,251
1978	534	1,678,279	3,261,776	2,842,131	2,903,915	607,752
1979	493	1,825,160	3,535,214	2,877,833	3,065,665	598,067
1980	478	1,973,513	3,798,533	3,189,679	2,977,642	615,902
1981	450	1,975,104	3,794,317	3,221,836	3,011,722	655,907
1982	417	1,921,032	3,788,929	3,351,392	2,710,921	607,421
1983	397	2,040,746	4,761,669	4,258,249	3,286,588	650,527
1984	376	2,010,832	5,439,894	4,885,542	4,088,618	855,287
1985	360	2,074,771	6,384,522	5,854,804	4,568,946	983,565
1986	345	2,122,970	7,699,129	7,094,187	5,247,434	1,374,204
1987	326	2,137,891	8,108,128	7,439,497	5,801,525	1,844,562
1988	312	2,261,269	8,895,818	8,151,271	6,599,922	2,623,122
1989	275	2,313,126	9,293,977	8,467,293	6,974,235	2,635,802
1990	265	2,358,936	10,325,761	9,402,881	7,561,728	3,190,475
1991	254	2,333,500	11,372,583	10,355,212	7,570,761	3,236,325
1992	242	2,385,573	12,758,760	11,600,351	7,595,971	3,300,367
1993	224	2,521,153	13,560,348	12,227,138	8,252,600	3,302,305
1994	211	2,436,183	13,691,851	12,218,183	8,992,988	3,454,237
1995	190	2,425,237	13,298,425	12,569,941	9,335,186	3,513,875

a/ As of December 31st.

Source: California Department of Corporations. Report of State Chartered Credit Unions

Table 34

**Selected Data on Finance Companies
California, 1971 to 1995 a/
(Dollars in Thousands)**

Consumer Loans Under \$ 10,000 and Commercial Loans Under \$ 5,000					
Year b/	Number of Loans Made	Total Principal Amount of Loans Made	Secured by Personal Property	Secured by Personal Property and Real Property	Consumer Loans of \$ 10,000 or More and Commercial Loans of \$ 5,000 or More
1971	1,170,013	\$1,897,472	\$1,153,541	\$54,150	\$689,781
1972	1,210,311	1,973,792	1,268,113	62,418	643,261
1973	1,202,884	2,424,236	1,344,871	90,028	989,337
1974	1,024,276	2,403,516	1,212,864	111,590	1,079,062
1975	883,047	2,234,827	1,114,707	156,257	963,863
1976	995,459	2,756,599	1,287,307	212,665	1,256,627
1977	1,073,690	3,047,796	1,393,534	224,676	1,429,586
1978	1,141,163	3,562,541	1,530,849	189,625	1,842,064
1979	1,097,742	5,265,756	1,408,269	182,030	3,675,457
1980	644,632	3,925,512	857,357	187,819	2,880,336
1981	424,672	4,754,757	532,610	203,507	4,018,640
1982	372,192	4,034,562	556,396	125,110	3,353,056
1983	462,319	5,946,563	790,603	104,839	5,051,121
Consumer and Commercial Loans Over \$ 5,000					
Year b/	Number of Loans Made	Total Principal Amount of Loans Made	Secured by Personal Property	Secured by Personal Property and/or Real Property	Consumer Loans Under \$ 5,000
1984 c/	713,094	\$9,871,291	\$5,403,132	\$3,388,735	\$1,079,424
1985	939,829	10,772,085	2,749,887	7,319,781	1,253,371
1986	806,792	15,946,053	6,460,085	8,450,462	1,144,000
1987	958,181	26,452,306	8,024,683	17,104,574	1,323,049
1988	968,431	20,582,185	7,021,873	12,268,213	1,292,099
1989	1,515,485	35,833,527	10,458,717	23,743,634	1,631,176
1990	1,459,868	26,906,726	8,865,082	16,531,192	1,510,452
1991	1,520,609	32,026,364	15,317,468	15,109,753	1,599,143
1992	1,539,309	52,258,602	29,899,590	20,749,686	1,609,326
1993	1,505,290	53,747,873	21,685,454	30,470,016	1,592,403
1994	2,034,118	45,818,399	21,630,002	22,356,148	1,832,249
1995 d/	2,601,804	53,859,078	34,890,791	17,119,222	1,849,065

a/ Finance companies are licensed under the Personal Property Brokers Law, the Consumer Finance Lender Law, and/or the Commercial Finance Lenders Law.

b/ Data refer to loans made during each year.

c/ In 1984 the categories for reporting loans changed due to changes in regulations about types of security.

d/ Effective July 1, 1995, the Personal Property Brokers Law, the Consumer Finance Lenders Law and the Commercial Finance Lenders Law were consolidated without substantive changes into the California Finance Lenders Law. Activity prior to the July 1, 1995 effective date of the Law were categorized for reporting purposes as if the Law had been in effect on January 1, 1995.

Source: California Department of Corporations, Annual Reports for California Consumer Finance Laws.

Table 35

**Selected Data on Industrial Loan Companies,
California, 1971 to 1995 a/
(Dollars in Thousands)**

Year	Total Assets b/	Investment Certificates c/	Consumer Loans c/		Commercial Loans c/		Premium Finance Agencies c/	
			Number of Loans Made	Principal Amount of Loans Made	Number of Loans Made	Principal Amount of Loans Made	Number of Loans Made	Principal Amount of Loans Made
1971	\$456,632	\$307,393	170,330	\$328,597 d/	--	--	75,242	\$66,540
1972	523,969	344,209	199,737	381,595 d/	--	--	78,681	75,623
1973	542,939	381,150	189,278	358,728 d/	--	--	79,893	80,971
1974	560,343	420,069	179,473	351,119	1,359	\$17,987	81,645	86,655
1975	613,119	475,922	166,339	361,887	1,453	20,651	79,804	107,310
1976	687,399	537,212	202,104	428,453	25,467 e/	106,897	19,057	43,303
1977	772,406	608,832	209,259	451,880	28,277	144,528	14,206	48,853
1978	875,928	678,918	209,884	509,688	30,320	175,828	17,849	63,160
1979	1,007,766	766,963	197,740	549,796	33,894	185,920	18,822	74,328
1980	1,120,406	857,038	155,747	448,205	39,367	231,007	22,521	85,678
1981	1,262,858	963,275	97,141	377,766	4,214 f/	119,556	29,884	100,693
1982	1,630,687	1,266,241	114,501	513,202	4,020	165,059	22,964	101,072
1983	2,035,330	1,621,750	140,240	609,720	4,421	207,448	26,399	98,180
1984	2,325,240	1,896,856	94,777	558,180	4,612	223,684	21,843	110,495
1985	2,508,680	2,032,165	103,964	562,957	7,347	274,318	28,582	305,328
1986	2,677,784	2,172,610	107,620	651,828	3,046	210,821	29,669	420,856
1987	2,997,975	2,426,423	152,471	935,363	3,353	296,311	91,310	1,010,116
1988	3,624,578	2,972,660	131,188	1,193,194	4,227	456,274	113,773	1,040,359
1989	4,436,825	3,758,376	95,920	1,350,903	8,354	593,054	140,291	938,028

Year	Total Assets b/	Investment Certificates c/	Total Loans c/ g/		Premium Finance Agencies c/	
			Number of Loans Made	Principal Amount of Loans Made	Number of Loans Made	Principal Amount of Loans Made
1990	\$5,162,959	\$4,596,822	115,139	\$2,506,023	244,765	\$1,473,558
1991	5,105,502	4,393,714	118,010	2,579,089	226,407	1,610,960
1992	5,585,231	4,644,093	134,988	5,881,095	179,558	1,816,514
1993	6,681,365	5,208,329	138,724	8,633,796	187,316	1,921,889
1994	7,215,549	5,566,979	127,432	5,078,779	199,152	2,097,480
1995	7,824,539	6,178,424	126,223	3,470,513	186,514	1,940,041

a/ Industrial loan companies are licensed lenders who are exempt from the usury law and who make unsecured and secured loans. This Schedule does not include mortgage bankers licensed under the Industrial Loan Law.

b/ As of December 31st. From 1971-1984, total assets include thrift companies, non-thrift companies and premium finance companies. Beginning with 1985, total assets do not include premium finance companies.

c/ Data refer to loans made during the year.

d/ Includes commercial loans.

e/ Insurance premium finance company was reclassified as a thrift.

f/ Loans secured by insurance premiums were removed from non-consumer loans and reclassified.

g/ Total loans made - includes both consumer and commercial loans. Department of Corporations did not require a breakdown beginning in 1990.

Source: California Department of Corporations, Annual Reports for California Industrial Loan Law

Table 36

Summary of State Tax Collections, 1966-67 to 1995-96
(Excludes Departmental, Interest and Miscellaneous Revenue)

Fiscal Year	State Tax Collections a/ (\$ Millions)			Taxes Per Capita b/ of Personal Income c/			Taxes Per \$100 of Personal Income c/		
	General Fund	Special Fund	Total	General Fund	Special Fund	Total	General Fund	Special Fund	Total
1966-67	\$2,747	\$1,091	\$3,838	\$145.87	\$57.96	\$203.83	\$4.02	\$1.60	\$5.62
1967-68	3,558	1,118	4,676	185.55	58.31	243.86	4.82	1.52	6.34
1968-69	3,963	1,210	5,173	203.94	62.27	266.21	4.90	1.49	6.39
1969-70	4,126	1,283	5,409	208.96	64.98	273.94	4.63	1.44	6.07
1970-71	4,290	1,308	5,598	214.08	65.28	279.36	4.48	1.37	5.85
1971-72	5,213	1,384	6,597	256.22	68.02	324.24	5.13	1.37	6.50
1972-73	5,758	1,473	7,231	279.72	71.56	351.28	5.19	1.32	6.51
1973-74	6,377	1,500	7,877	305.57	71.88	377.45	5.21	1.22	6.43
1974-75	8,043	1,529	9,572	379.85	72.21	452.06	5.88	1.12	7.00
1975-76	9,050	1,630	10,680	420.19	75.68	495.87	6.02	1.09	7.11
1976-77	10,781	1,744	12,525	491.48	79.50	570.98	6.39	1.04	7.43
1977-78	12,951	1,874	14,825	579.41	83.84	663.25	6.90	0.99	7.89
1978-79	14,188	2,013	16,201	621.30	88.15	709.45	6.59	0.94	7.53
1979-80	16,904	2,153	19,057	726.83	92.58	819.41	6.85	0.88	7.73
1980-81	17,808	2,192	20,000	748.80	92.17	840.97	6.35	0.78	7.13
1981-82	19,053	2,448	21,501	784.78	100.84	885.62	6.07	0.77	6.84
1982-83	19,567	2,792	22,359	788.83	112.56	901.39	5.84	0.83	6.67
1983-84	22,300	3,374	25,674	880.14	133.16	1,013.30	6.17	0.94	7.11
1984-85	25,515	3,524	29,039	988.34	136.51	1,124.85	6.35	0.87	7.22
1985-86	26,974	3,924	30,898	1,021.63	148.62	1,170.25	6.18	0.90	7.08
1986-87	31,331	4,037	35,368	1,158.18	149.23	1,307.41	6.69	0.86	7.55
1987-88	31,228	4,383	35,611	1,126.67	158.14	1,284.81	6.19	0.87	7.06
1988-89	35,647	4,966	40,613	1,255.49	174.90	1,430.39	6.51	0.91	7.42
1989-90	37,248	5,804	43,052	1,278.16	199.16	1,477.32	6.33	0.99	7.32
1990-91	36,828	6,728	43,556	1,229.90	224.68	1,454.58	5.79	1.05	6.84
1991-92	40,072	8,784	48,856	1,311.04	287.39	1,598.43	6.15	1.35	7.50
1992-93	39,197	9,033	48,230	1,256.80	289.63	1,546.43	5.74	1.32	7.06
1993-94	38,351	10,590	48,941	1,216.84	336.00	1,552.84	5.50	1.51	7.01
1994-95	41,099	11,034	52,133	1,292.83	347.09	1,639.92	5.74	1.54	7.28
1995-96 p/	44,825	10,035	54,860	1,398.03	312.98	1,711.01	5.89	1.32	7.21

a/ Beginning in 1966-67 most state revenues were placed on an accrual basis. Beginning in 1973-74, accounts receivable only are accrued.

Total may not add due to rounding.

b/ Per Capita computations are based on July 1 populations estimates, benchmarked to the 1990 Census.

c/ Taxes per \$100 personal income computed using calendar year personal income (e.g. 1987 income related to 1987-88 tax collections.)

p/ Preliminary

Source: California Department of Finance (Governor's Budget Summary)

Table 37

**Comparative Yield of State Taxes, 1966-67 to 1995-96 a/
Includes both General and Special Funds
(Dollars in Thousands)**

Fiscal Year	Sales and Use	Personal Income	Bank and Corporation b/	Tobacco c/	Estate Inheritance & Gift d/	Insurance e/	Alcoholic Beverages f/	Horse Racing g/	Motor Vehicle Fuel h/	Motor Vehicle Fees i/
1966-67	1,190,750	626,697	453,292	78,191	141,899	131,226	79,697	49,311	643,698	405,061
1967-68	1,464,927	952,487	576,874	219,272	135,554	121,155	94,896	54,799	581,127	437,918
1968-69	1,652,979	1,101,691	592,303	237,328	158,815	130,312	99,612	59,839	625,667	469,655
1969-70	1,753,611	1,152,053	587,013	236,878	164,299	136,733	105,908	58,244	668,537	498,992
1970-71	1,808,052	1,264,383	532,091	239,721	185,699	158,423	106,556	64,601	674,635	513,202
1971-72	2,015,993	1,785,618	662,522	247,424	220,192	170,179	112,091	69,380	712,426	547,845
1972-73	2,198,523	1,884,058	866,117	253,602	260,119	179,674	114,884	72,693	746,196	596,922
1973-74	2,675,738	1,829,385	1,057,191	258,921	231,934	201,697	119,312	78,289	742,702	644,448
1974-75	3,376,078	2,579,676	1,253,673	261,975	242,627	202,991	120,749	86,637	752,234	664,453
1975-76	3,742,524	3,086,611	1,286,515	268,610	316,648	241,224	125,313	96,117	766,555	749,936
1976-77	4,314,201	3,761,356	1,641,500	269,384	367,964	322,476	127,485	102,702	810,321	807,782
1977-78	5,030,438	4,667,887	2,082,208	273,658	365,092	387,560	132,060	111,591	850,181	924,410
1978-79	5,780,919	4,761,571	2,381,223	268,816	416,955	420,184	140,059	112,856	896,591	1,021,856
1979-80	6,623,521	6,506,015	2,510,039	290,043	465,611	446,228	138,940	127,002	852,752	1,096,640
1980-81	7,131,429	6,628,694	2,730,624	278,161	530,185	460,926	142,860	129,779	839,994	1,127,293
1981-82	7,689,023	7,483,007	2,648,735	276,824	482,300	454,984	139,523	119,626	833,446	1,373,354
1982-83	7,795,488	7,701,099	2,536,011	271,621	517,875	736,929	136,209	120,159	928,633	1,614,993
1983-84	8,797,865	9,290,279	3,231,281	263,231	236,452	457,490	137,433	141,001	1,213,167	1,906,290
1984-85	9,797,564	10,807,706	3,664,593	262,868	296,805	643,139	135,786	133,814	1,159,637	2,137,326
1985-86	10,317,930	11,413,040	3,843,024	258,141	252,810	839,939	132,262	131,592	1,194,172	2,515,295
1986-87	10,904,022	13,924,527	4,800,843	255,076	273,089	1,008,804	131,288	131,733	1,245,881	2,692,835
1987-88	11,650,531	12,950,346	4,776,388	250,572	304,148	1,158,321	128,734	132,208	1,293,254	2,966,334
1988-89	12,650,893	15,889,179	5,138,009	559,617	335,091	1,317,630	128,264	143,379	1,320,512	3,139,011
1989-90	13,917,771	16,906,568	4,965,389	787,076	388,527	1,167,684	128,524	147,920	1,349,146	3,305,711
1990-91	13,839,573	16,852,079	4,544,783	745,074	498,774	1,287,152	129,640	148,279	1,999,771	3,513,159
1991-92	17,458,521	17,242,816	4,538,451	726,064	446,696	1,167,307	321,352	130,042	2,457,229	4,369,862
1992-93	16,598,863	17,358,751	4,659,950	677,846	458,433	1,188,181	292,107	114,037	2,412,574	4,470,321
1993-94	16,857,369	17,402,976	4,809,273	664,322	552,139	1,196,921	275,797	118,215	2,547,633	4,518,795
1994-95	16,271,846	18,608,181	5,685,618	674,727	595,238	998,868	268,957	109,611	2,685,731	4,749,594
1995-96 j/	17,524,528	20,875,045	5,862,327	666,779	659,337	1,131,737	269,227	106,057	2,774,306	4,990,015

a/ Beginning in 1966-67 most state revenues were placed on an accrual basis. Beginning with 1973-74, accounts receivable only are accrued.

b/ Includes the corporation income tax and, commencing with 1989 data, the unitary election fee.

c/ Proposition 99 (November 1988) increased the cigarette tax to \$0.35 per pack and added an equivalent tax to other tobacco products. The Breast Cancer Act added \$0.02 per pack effective January 1, 1994.

d/ Proposition 6 (June 1982) repealed the inheritance and gift taxes and imposed an estate tax equal to the maximum allowable Federal estate tax credit effective for decedents dying on or after June 8, 1982.

e/ The conclusion of litigation resulted in additional revenue of \$51 million in 1987-88, \$178 million in 1988-89, \$7 million in 1990-91, \$5 million in 1991-92, in refunds of \$46 million in 1993-94, and in refunds of \$200 million in 1994-95.

f/ Alcoholic beverage excise taxes were significantly increased effective July 15, 1991.

g/ Beginning in 1988-89, includes revenues from satellite wagering that were not included in prior years.

h/ Motor vehicle fuel tax (gasoline), use fuel tax (diesel and other fuels), and jet fuel.

i/ Registration and weight fees, motor vehicle license fees, and other fees.

j/ Some figures for 1996 may be preliminary.

Source: California Department of Finance (Governor's Budget Summary)

Table 38

**Assessed Value of Tangible Property, Tangible
Property Tax Levies and Average Tax Rate
California, 1960-61 to 1996-97**

Fiscal Year	Assessed Value b/		Tax Levies a/		Average Tax Rate	
	Amount (\$ mill.)	Percent Change	Amount (\$ mill.)	Percent Change	\$ Per \$100 of Assessed Value	Percent Change
1960-61	\$29,601	7.9	\$2,196	10.3	\$7.42	2.2
1961-62	31,550	6.6	2,415	10.0	7.65	3.1
1962-63	33,327	5.6	2,606	7.9	7.82	2.2
1963-64	35,066	5.2	2,805	7.6	8.00	2.3
1964-65	36,743	4.8	3,058	9.0	8.32	4.0
1965-66	39,464	7.4	3,368	10.1	8.53	2.5
1966-67	42,522	7.7	3,758	11.7	8.84	3.6
1967-68	46,187	8.6	4,111	9.3	8.90	0.7
1968-69	48,653	5.3	4,570	11.2	9.39	5.5
1969-70	52,115	7.1	4,935	8.0	9.92	5.6
1970-71	55,581	6.6	5,722	15.9	10.86	9.4
1971-72	58,785	5.8	6,372	11.5	11.43	5.3
1972-73	62,791	6.8	6,820	7.0	11.44	0.1
1973-74	67,278	7.1	6,648	-2.5	11.15	-2.5
1974-75	74,299	10.4	7,383	11.0	11.24	0.8
1975-76	82,692	11.3	8,304	12.5	11.33	0.8
1976-77	93,717	13.3	9,376	12.9	11.20	-1.2
1977-78	106,694	13.8	10,277	9.7	10.68	-4.6
1978-79 c/	116,737	9.4	5,636	-45.2	5.37	-49.7
1979-80	132,821	13.8	5,661	0.4	4.69	-1.5
1980-81	144,739	17.9 d/	6,360	12.4	4.63	-1.3
1981-82	657,928 e/	13.6 e/	7,185	13.0	1.144	-1.2
1982-83	737,112	12.0	8,007	11.4	1.131	-1.1
1983-84	797,370	8.2	8,635	7.8	1.126	-0.4
1984-85	878,739	10.2	9,437	9.3	1.113	-1.2
1985-86	968,620	10.2	10,274	8.9	1.096	-1.5
1986-87	1,058,687	9.3	11,126	8.3	1.083	-1.2
1987-88	1,165,057	10.0	12,204	9.7	1.078	-0.5
1988-89	1,275,516	9.5	13,308	9.0	1.070	-0.7
1989-90	1,412,512	10.7	14,720	10.6	1.067	-0.3
1990-91	1,577,932	11.7	16,398	11.4	1.063	-0.4
1991-92	1,702,879	7.9	17,687	7.9	1.061	-0.2
1992-93	1,789,799	5.1	18,636	5.4	1.061	0.1
1993-94	1,839,945	2.8	19,086	2.4	1.059	-0.2
1994-95	1,863,390	1.3	19,331	1.3	1.061	0.2
1995-96	1,876,018	0.7	19,496	0.9	1.063	0.2
1996-97	1,897,326	1.1	n.a.	-	n.a.	-

a/ Excludes reimbursements to local government for homeowners' exemption and business inventory exemption.

b/ Includes the homeowners' exemption (\$750 of assessed value from 1969-70 to 1972-73; \$1,750 from 1973-74 to 1980-81; and \$7,000 beginning in 1981-82). For 1996-97, the homeowners' exemption accounted for \$35,630,507,000 of assessed value. The business inventory exemption (15% of assessed value in 1969-70; 30% during 1970-71 to 1972-73; 45% in 1973-74; and 50% from 1974-75 to 1979-80) was also included until 1980-81. Beginning in 1980-81, business inventories became totally exempt and were no longer enrolled.

c/ The revised amount of taxes includes unsecured levies based on the 1977-78 tax rate on secured property. Some counties did not levy at these rates until a 1980 California Supreme Court decision clarified the proper 1978-79 tax rate applicable to unsecured property.

d/ Business inventories became totally exempt effective on the 1980-81 property tax rolls. The 1980-81 percent change from the preceding year was computed by excluding from the 1979-80 assessed value both the taxable and exempt value of business inventories.

e/ The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981-82. The percent change was computed after factoring the 1980-81 valuations to 100 percent of value.

n.a. Not available

Source: California Board of Equalization

Table 39

Allocations of General Property Tax Levies
As Compiled for Computation of the Average Tax Rate a/, by County, 1995-96
 (Tax Allocations in Thousands)

County	City	County b/	School b/	Other District c/	Total c/	Average Tax Rate Per \$100 of Assessed Value d/ (Percent)	
						1995-96	1994-95
Alameda	\$181,007	\$135,834	\$406,359	\$193,549	\$916,749	1.149 %	1.136 %
Alpine	-	1,360	539	185	2,084	1.000	1.000
Amador	846	7,089	12,986	392	21,313	1.000	1.000
Butte	5,079	10,883	60,173	14,065	90,200	1.035	1.030
Calaveras	114	5,311	18,570	3,809	27,804	1.052	1.054
Colusa	654	4,162	8,823	1,086	14,725	1.023	1.028
Contra Costa	63,839	90,379	342,506	211,058	707,782	1.077	1.073
Del Norte	40	1,584	5,966	1,438	9,028	1.001	1.001
El Dorado	3,226	24,174	49,925	24,494	101,819	1.025	1.028
Fresno	43,058	43,357	204,231	39,814	330,460	1.107	1.103
Glenn	905	2,950	9,545	624	14,024	1.029	1.032
Humboldt	1,711	11,082	34,340	7,715	54,848	1.010	1.012
Imperial	4,267	10,283	38,611	6,530	59,691	1.055	1.050
Inyo	262	7,106	15,035	1,623	24,026	1.002	1.008
Kern	20,922	89,442	222,246	45,667	378,277	1.099	1.082
Kings	2,448	10,354	22,929	5,181	40,912	1.036	1.039
Lake	1,016	7,695	18,363	5,338	32,412	1.012	1.025
Lassen	459	2,487	9,099	557	12,602	1.024	1.042
Los Angeles	868,744	1,211,903	2,198,275	948,723	5,227,645	1.053	1.055
Madera	1,568	9,582	38,934	4,506	54,590	1.046	1.056
Marin	26,280	43,909	130,009	31,964	232,162	1.019	1.017
Mariposa	-	2,819	7,414	542	10,775	1.000	1.000
Mendocino	956	12,766	29,486	4,977	48,185	1.061	1.061
Merced	5,235	17,982	48,321	6,689	78,227	1.013	1.013
Modoc	190	1,477	3,824	319	5,810	1.028	1.029
Mono	739	5,879	7,838	4,804	19,260	1.030	1.023
Monterey	15,705	34,959	129,775	29,713	210,152	1.020	1.019
Napa	9,398	20,607	59,597	4,016	93,618	1.015	1.016
Nevada	3,987	9,937	38,605	12,249	64,778	1.022	1.020
Orange	198,959	178,573	1,106,245	335,901	1,819,678	1.047	1.050
Placer	10,658	34,170	106,472	20,689	171,989	1.032	1.032
Plumas	133	4,333	12,405	2,160	19,031	1.002	1.003
Riverside	47,661	104,836	380,051	263,203	795,751	1.088	1.066
Sacramento	49,729	106,115	270,859	115,361	542,064	1.033	1.032
San Benito	634	3,019	16,053	7,323	27,029	1.089	1.091
San Bernardino	55,709	100,048	357,824	266,771	780,352	1.086	1.081
San Diego	190,575	221,318	974,709	164,607	1,551,209	1.065	1.065
San Francisco	-	420,637	180,724	53,180	654,541	1.164	1.162
San Joaquin	26,601	53,347	133,226	21,675	234,849	1.009	1.009
San Luis Obispo	12,654	46,705	129,653	9,722	198,734	1.103	1.103
San Mateo	62,894	86,919	357,559	70,875	578,247	1.011	1.011
Santa Barbara	12,820	50,048	151,496	39,843	254,207	1.021	1.018
Santa Clara	108,423	192,951	753,208	189,474	1,244,056	1.075	1.069
Santa Cruz	8,587	23,537	90,499	28,694	151,317	1.018	1.015
Shasta	5,316	12,220	60,031	9,517	87,084	1.092	1.064
Sierra	24	1,921	1,167	353	3,465	1.002	1.002
Siskiyou	1,392	5,091	14,828	952	22,263	1.008	1.009
Solano	28,027	34,231	83,840	45,603	191,701	1.059	1.065
Sonoma	19,541	64,148	177,519	33,749	294,957	1.067	1.067
Stanislaus	11,792	21,198	139,144	10,689	182,823	1.051	1.046

Table 39 continued on next page

Table 39 (continued)

Allocations of General Property Tax Levies
As Compiled for Computation of the Average Tax Rate, by County a/, 1995-96
 (Tax Allocations in Thousands)

County	City	County b/	School b/	Other District c/	Total c/	Average Tax Rate Per \$ 100 of Assessed Value d/ (Percent)	
						1995-96	1994-95
Sutter	2,781	6,766	23,855	4,208	37,610	1.010	1.010
Tehama	1,070	6,093	15,884	818	23,865	1.013	1.014
Trinity	-	1,919	4,105	331	6,355	1.007	1.005
Tulare	7,638	27,762	80,681	14,102	130,183	1.019	1.022
Tuolumne	335	8,552	20,214	3,541	32,642	1.009	1.008
Ventura	33,888	79,221	249,689	109,243	472,041	1.055	1.056
Yolo	14,828	7,694	46,663	12,389	81,574	1.025	1.023
Yuba	850	4,858	14,492	2,069	22,269	1.031	1.048
Total	\$2,176,174	\$3,745,582	\$10,125,419	\$3,448,669	\$19,495,844	1.063 %	1.061 %

a/ The county levies at a rate of \$1.00 per \$100 of assessed value have been allocated among the jurisdictions receiving a portion of those levies.

Excluded is the following amount of state reimbursement to local governments: homeowners, \$376,167,000.

b/ County levies for school purposes, such as junior college tuition and countywide school levies, are included with school levies.

c/ Includes debt levies on land and/or improvements only. Also includes the portion of the \$1.00 levy allocated to jurisdictions previously taxing less than total property, i.e., land only or land and improvements only.

d/ Computed by dividing total levies by the assessed value and multiplying by 100.

Source: California State Board of Equalization

Table 40

**Total Tax Revenue of
California State Government
Per \$1,000 of Personal Income a/**

Fiscal Year	Amount	National Rank
1970-71	\$63.89	30
1971-72	71.61	27
1972-73	71.73	30
1973-74	70.08	30
1974-75	75.84	22
1975-76	77.23	21
1976-77	81.80	16
1977-78	86.70	13
1978-79	82.17	16
1979-80	84.94	8
1980-81	79.00	13
1981-82	75.63	17
1982-83	71.64	20
1983-84	76.76	22
1984-85	78.00	20
1985-86	72.90	25
1986-87	78.47	17
1987-88	73.18	25
1988-89	77.62	18
1989-90	74.97	23
1990-91	72.45	19
1991-92	72.83	23
1992-93	73.04	27
1993-94	69.41	25
1994-95	70.05	24

a/ Rankings are from high (1) to low.

Source: U.S. Department of Commerce,
Bureau of the Census

Table 41

**Total Tax Revenue of California
State and Local Government
Per \$1,000 of Personal Income a/**

Fiscal Year	Amount	National Rank
1970-71	\$137.33	8
1971-72	149.42	4
1972-73	149.09	5
1973-74	140.10	7
1974-75	145.91	3
1975-76	148.92	4
1976-77	154.93	3
1977-78	157.99	4
1978-79	120.63	24
1979-80	121.68	14
1980-81	114.92	17
1981-82	112.59	18
1982-83	108.32	23
1983-84	115.39	22
1984-85	116.82	17
1985-86	109.98	24
1986-87	116.80	16
1987-88	111.91	24
1988-89	114.25	21
1989-90	114.39	20
1990-91	111.96	22
1991-92	113.80	24
1992-93	112.09	25
1993-94	110.65	34
1994-95	n.a.	--

a/ Rankings are from high (1) to low.

n.a. Not available

Source: U.S. Department of Commerce,
Bureau of the Census

Table 42

**Individual Income Tax Revenue
of California State Government
Per \$1,000 of Personal Income a/**

Fiscal Year	Amount	National Rank
1970-71	\$14.26	18
1971-72	19.53	16
1972-73	18.48	20
1973-74	15.85	23
1974-75	19.48	18
1975-76	21.23	17
1976-77	23.53	17
1977-78	26.74	11
1978-79	23.91	17
1979-80	28.35	11
1980-81	25.39	12
1981-82	25.89	11
1982-83	24.62	17
1983-84	27.68	11
1984-85	28.99	9
1985-86	26.84	10
1986-87	30.42	9
1987-88	26.09	16
1988-89	29.79	10
1989-90	29.05	10
1990-91	27.15	15
1991-92	26.89	15
1992-93	25.77	21
1993-94	24.51	19
1994-95	24.12	18

a/ Rankings are from high (1) to low.

Source: U.S. Department of Commerce,
Bureau of the Census

Table 43

**General Sales Tax Revenue of
California State Government
Per \$1,000 of Personal Income a/**

Fiscal Year	Amount	National Rank
1970-71	\$20.25	28
1971-72	21.31	25
1972-73	21.44	24
1973-74	23.48	20
1974-75	26.81	13
1975-76	26.86	15
1976-77	28.03	15
1977-78	28.79	14
1978-79	28.44	14
1979-80	29.36	16
1980-81	27.98	12
1981-82	26.76	14
1982-83	25.00	17
1983-84	26.33	17
1984-85	26.09	17
1985-86	24.57	18
1986-87	23.97	20
1987-88	23.36	25
1988-89	23.98	23
1989-90	23.53	24
1990-91	23.15	25
1991-92	23.57	21
1992-93	24.98	18
1993-94	23.57	20
1994-95	23.26	22

a/ Rankings are from high (1) to low.

Source: U.S. Department of Commerce, Bureau of the Census

Table 44

**Total California State Taxes
Per Capita a/**

Fiscal Year	Amount	National Rank	1984 \$ b/
1970-71	\$280.64	16	\$735.24
1971-72	329.31	11	836.87
1972-73	355.49	13	868.53
1973-74	381.29	13	863.04
1974-75	451.48	8	917.46
1975-76	500.05	8	940.65
1976-77	574.95	7	1,017.43
1977-78	673.62	6	1,107.02
1978-79	720.54	6	1,084.01
1979-80	818.23	5	1,070.56
1980-81	866.37	6	1,016.75
1981-82	921.86	8	976.75
1982-83	884.24	10	915.84
1983-84	999.83	10	999.83
1984-85	1,098.14	9	1,046.55
1985-86	1,144.45	11	1,048.32
1986-87	1,293.81	8	1,147.81
1987-88	1,274.11	9	1,084.72
1988-89	1,418.08	8	1,151.23
1989-90	1,458.98	9	1,127.58
1990-91	1,477.10	10	1,083.79
1991-92	1,494.42	10	1,058.20
1992-93	1,561.58	13	1,071.34
1993-94	1,581.09	13	1,065.97
1994-95	1,686.32	14	1,117.60

a/ Rankings are from high (1) to low.

b/ Based on California CPI, fiscal year average.

Source: U.S. Department of Commerce, Bureau of the Census

Table 45

**Total California State and Local Taxes
Per Capita a/**

Fiscal Year	Amount	National Rank	1984 \$ b/
1970-71	\$603.22	3	\$1,580.35
1971-72	687.11	2	1,746.15
1972-73	738.84	2	1,805.13
1973-74	762.25	4	1,725.33
1974-75	868.62	2	1,765.13
1975-76	964.20	3	1,813.77
1976-77	1,088.92	3	1,926.95
1977-78	1,227.47	3	2,017.21
1978-79	1,057.87	9	1,591.50
1979-80	1,172.23	6	1,533.73
1980-81	1,260.30	6	1,479.05
1981-82	1,372.38	5	1,454.10
1982-83	1,336.90	12	1,384.67
1983-84	1,503.07	11	1,503.07
1984-85	1,644.80	9	1,567.52
1985-86	1,726.57	10	1,581.54
1986-87	1,925.77	8	1,708.45
1987-88	1,948.47	10	1,658.84
1988-89	2,087.38	9	1,694.58
1989-90	2,226.33	9	1,720.64
1990-91	2,282.56	9	1,674.78
1991-92	2,372.41	10	1,679.90
1992-93	2,395.92	12	1,643.75
1993-94	2,404.35	17	1,621.02
1994-95	n.a.	--	--

a/ Rankings are from high (1) to low.

b/ Based on California CPI, fiscal year average.

n.a. Not available

Source: U.S. Department of Commerce, Bureau of the Census

Table 46

**Individual Income Tax Revenue
of California State Government
Per Capita a/**

Fiscal Year	Amount	National Rank	1984 \$ b/
1970-71	\$62.63	15	\$164.08
1971-72	89.82	12	228.26
1972-73	91.57	14	223.72
1973-74	86.24	20	195.20
1974-75	115.96	13	235.64
1975-76	137.44	10	258.54
1976-77	165.37	10	292.64
1977-78	207.79	10	341.48
1978-79	209.66	11	315.42
1979-80	273.09	8	357.31
1980-81	278.41	9	326.73
1981-82	315.52	8	334.31
1982-83	303.85	9	314.71
1983-84	360.57	10	360.57
1984-85	408.20	7	389.02
1985-86	421.34	9	385.95
1986-87	501.54	6	444.94
1987-88	454.34	11	386.80
1988-89	544.18	8	441.78
1989-90	565.33	8	436.92
1990-91	553.56	9	406.16
1991-92	551.71	10	390.67
1992-93	551.09	14	378.08
1993-94	558.29	14	376.40
1994-95	580.72	12	384.87

a/ Rankings are from high (1) to low.

b/ Based on California CPI, fiscal year average.

Source: U.S. Department of Commerce, Bureau of the Census

Table 47

**Property Tax Revenue of
California State and
Local Government
Per \$1,000 of Personal Income**

Fiscal Year	Amount	National Rank
1970-71	\$67.45	3
1971-72	71.09	4
1972-73	70.21	2
1973-74	62.84	6
1974-75	62.71	5
1975-76	64.13	6
1976-77	65.14	4
1977-78	63.57	5
1978-79	30.37	35
1979-80	28.41	33
1980-81	27.84	35
1981-82	28.86	31
1982-83	28.10	34
1983-84	29.58	30
1984-85	29.86	29
1985-86	28.72	31
1986-87	30.04	29
1987-88	31.20	29
1988-89	29.74	32
1989-90	30.92	31
1990-91	31.36	29
1991-92	32.55	29
1992-93	31.16	33
1993-94	30.24	35
1994-95	n.a.	--

a/ Rankings are from high (1) to low.

n.a. Not available

Source: U.S. Department of Commerce,
Bureau of the Census

Table 48

**Total Tax Revenue
of State Government
Per \$1,000 of Personal Income
Fiscal Year 1977-78**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	\$130.71	174.5
2	Hawaii	111.42	148.8
3	New Mexico	109.19	145.8
4	Delaware	100.46	134.1
5	Minnesota	97.38	130.0
6	Wisconsin	96.40	128.7
7	Wyoming	94.20	125.8
8	Mississippi	91.03	121.5
9	Kentucky	89.59	119.6
10	Washington	88.91	118.7
11	West Virginia	88.13	117.7
12	Arizona	87.49	116.8
13	CALIFORNIA	86.70	115.8
14	Louisiana	85.40	114.0
15	Maine	84.78	113.2
16	South Carolina	84.30	112.6
17	Vermont	83.10	111.0
18	Idaho	82.06	109.6
19	New York	80.94	108.1
20	Utah	80.69	107.7
21	North Carolina	79.55	106.2
22	Massachusetts	78.66	105.0
23	Michigan	78.28	104.5
24	Arkansas	77.98	104.1
25	Nevada	77.21	103.1
26	Maryland	76.75	102.5
27	Alabama	76.59	102.3
28	North Dakota	76.56	102.2
29	Pennsylvania	75.83	101.2
	UNITED STATES	74.90	100.0
30	Oklahoma	73.78	98.5
31	Montana	72.57	96.9
32	Rhode Island	72.37	96.6
33	Georgia	71.93	96.0
34	Iowa	70.81	94.5
35	Oregon	69.60	92.9
36	Tennessee	68.52	91.5
37	Florida	66.63	89.0
38	Indiana	66.54	88.8
39	Virginia	66.27	88.5
40	Illinois	66.11	88.3
41	Nebraska	64.84	86.6
42	Colorado	64.64	86.3
43	Kansas	63.34	84.6
44	Connecticut	61.88	82.6
45	Texas	61.76	82.5
46	New Jersey	58.71	78.4
47	Missouri	55.86	74.6
48	Ohio	54.54	72.8
49	South Dakota	54.48	72.7
50	New Hampshire	43.34	57.9

Source: U.S. Department of Commerce,
Bureau of the Census

Table 49

**Total Tax Revenue
of State Government
Per \$1,000 of Personal Income
Fiscal Year 1994-95**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	\$132.69	202.7
2	Hawaii	98.50	150.5
3	New Mexico	92.70	141.6
4	Kentucky	86.37	132.0
5	Delaware	84.64	129.3
6	West Virginia	84.49	129.1
7	Minnesota	84.42	129.0
8	North Dakota	80.26	122.6
9	Mississippi	79.99	122.2
10	Wisconsin	79.18	121.0
11	Washington	78.96	120.6
12	Idaho	78.80	120.4
13	Michigan	77.61	118.6
14	Montana	75.64	115.6
16	North Carolina	75.25	115.0
17	Utah	75.20	114.9
18	Iowa	74.07	113.2
19	Maine	72.63	111.0
20	Oklahoma	72.52	110.8
21	Nevada	72.30	110.5
22	Arizona	72.01	110.0
23	Connecticut	71.83	109.7
	UNITED STATES	65.46	100.0
30	Indiana	64.68	98.8
31	Vermont	64.55	98.6
32	Pennsylvania	64.22	98.1
33	Oregon	63.15	96.5
33	Rhode Island	63.15	96.5
35	Nebraska	63.13	96.4
36	Alabama	62.25	95.1
37	Maryland	60.71	92.7
38	Georgia	60.60	92.6
39	Ohio	60.49	92.4
40	Missouri	58.13	88.8
41	New Jersey	57.38	87.7
42	Florida	56.83	86.8
43	Louisiana	56.74	86.7
44	Illinois	55.59	84.9
45	Virginia	55.36	84.6
46	Tennessee	53.43	81.6
47	Texas	51.10	78.1
48	Colorado	50.48	77.1
49	South Dakota	48.63	74.3
50	New Hampshire	31.26	47.8

Source: U.S. Department of Commerce,
Bureau of the Census

Table 50

**State and Local General Revenue from Own Sources
Per \$1,000 of Personal Income
Fiscal Years 1992, 1993, 1994**

State	1991-92	1992-93	1993-94	Percent of	Rank		
				U.S. average	1991-92	1992-93	1993-94
Alaska	488.68	507.01	411.09	249.0	1	1	1
Wyoming	238.53	220.60	227.10	137.5	2	3	2
New Mexico	210.82	221.42	213.18	129.1	3	2	3
New York	207.14	197.59	201.64	122.1	4	4	4
Minnesota	194.36	194.97	193.65	117.3	6	5	5
Delaware	182.25	181.67	192.52	116.6	10	8	6
North Dakota	182.64	184.43	186.06	112.7	9	7	7
Utah	183.95	181.39	185.72	112.5	8	9	8
Hawaii	198.80	189.92	185.46	112.3	5	6	9
Iowa	174.23	177.72	185.18	112.1	15	13	10
Wisconsin	179.00	180.91	184.00	111.4	14	10	11
Oregon	187.06	178.03	178.37	108.0	7	12	12
District of Columbia	203.90	185.69	173.86	105.3	x	x	x
Montana	181.79	176.96	173.80	105.3	11	14	13
Louisiana	180.62	180.56	173.53	105.1	12	11	14
Michigan	168.87	173.31	173.20	104.9	22	16	15
Mississippi	160.73	169.43	173.05	104.8	31	18	16
South Carolina	160.91	167.02	172.17	104.3	30	21	17
Idaho	173.73	175.24	171.99	104.2	16	15	18
Washington	172.48	164.98	171.84	104.1	17	22	19
West Virginia	171.22	164.86	169.44	102.6	20	23	20
Arizona	171.73	168.34	169.35	102.6	18	19	20
Nebraska	169.95	160.40	169.21	102.5	21	29	22
Kansas	154.59	158.39	168.69	102.2	40	31	23
Maine	171.68	167.59	168.56	102.1	19	20	24
Vermont	179.61	171.98	167.90	101.7	13	17	25
Georgia	157.06	162.31	165.92	100.5	36	24	26
UNITED STATES	164.94	163.61	165.12	100.0			
Indiana	161.39	156.68	163.95	99.3	29	33	27
Florida	157.13	160.45	163.75	99.2	35	28	28
Kentucky	162.67	158.72	162.10	98.2	27	30	29
CALIFORNIA	163.75	161.28	161.74	98.0	25	26	30
New Jersey	155.90	155.25	161.60	97.9	38	38	31
Oklahoma	162.40	160.50	161.07	97.5	28	27	32
Colorado	163.35	162.09	159.81	96.8	26	25	33
North Carolina	164.47	155.38	158.69	96.1	23	37	34
Rhode Island	164.08	155.82	157.90	95.6	24	36	35
Alabama	156.11	155.21	157.51	95.4	37	39	36
Massachusetts	150.99	153.83	156.62	94.8	41	40	37
Nevada	158.62	155.83	156.38	94.7	33	35	38
Ohio	155.54	157.86	155.79	94.3	39	32	39
Texas	158.20	155.94	155.15	94.0	34	34	40
Connecticut	146.73	153.16	152.13	92.1	44	41	41
Arkansas	148.98	146.81	151.32	91.6	43	44	42
South Dakota	150.21	147.53	151.24	91.6	42	43	42
Pennsylvania	159.55	150.38	149.54	90.6	32	42	44
Maryland	142.39	146.26	147.63	89.4	48	45	45
Illinois	142.43	141.85	145.35	88.0	47	48	46
Virginia	145.03	144.82	144.74	87.7	45	47	47
Tennessee	144.75	140.61	142.68	86.4	46	49	48
New Hampshire	140.37	145.27	140.61	85.2	49	46	49
Missouri	132.42	125.86	132.41	80.2	50	50	50

Source: U.S. Department of Commerce, Bureau of the Census

Table 51

**Total Tax Revenue, State and Local
Government, Per \$1,000 of Personal
Income, Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
1	New York	155.36	133.1
x	District of Columbia	143.26	122.7
2	Alaska	141.76	121.5
3	Wisconsin	137.34	117.7
4	Hawaii	137.12	117.5
5	New Mexico	131.70	112.8
6	Minnesota	131.46	112.6
7	Wyoming	128.99	110.5
8	Vermont	128.63	110.2
9	Iowa	126.00	108.0
10	Maine	125.26	107.3
11	Michigan	124.48	106.7
12	Arizona	124.42	106.6
13	Connecticut	122.99	105.4
14	Utah	122.05	104.6
15	Washington	121.24	103.9
16	New Jersey	120.70	103.4
17	North Dakota	119.13	102.1
18	Oregon	118.60	101.6
19	Rhode Island	117.46	100.6
20	Kansas	117.31	100.5
21	Nebraska	117.05	100.3
	UNITED STATES	116.71	100.0
22	Massachusetts	116.39	99.7
23	Delaware	115.70	99.1
24	Idaho	115.13	98.6
25	Kentucky	114.98	98.5
26	North Carolina	114.95	98.5
27	Montana	114.30	97.9
28	West Virginia	114.02	97.7
29	Mississippi	113.52	97.3
30	Ohio	112.42	96.3
31	Georgia	112.35	96.3
32	Maryland	112.00	96.0
33	Indiana	111.35	95.4
34	CALIFORNIA	110.65	94.8
35	Illinois	110.32	94.5
36	Pennsylvania	110.29	94.5
37	Oklahoma	109.27	93.6
38	Nevada	108.57	93.0
39	Texas	107.96	92.5
40	South Carolina	107.74	92.3
41	Florida	107.66	92.2
42	Colorado	107.17	91.8
43	Arkansas	106.21	91.0
44	Louisiana	104.17	89.3
45	South Dakota	101.98	87.4
46	Virginia	101.28	86.8
47	New Hampshire	99.79	85.5
48	Tennessee	96.95	83.1
49	Missouri	96.16	82.4
50	Alabama	94.32	80.8

Source: U.S. Department of Commerce, Bureau of the Census

Table 52

**Total State and Local Taxes
Per Capita
Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
x	District of Columbia	4,157.23	173.0
1	New York	3,854.34	160.4
2	Connecticut	3,440.90	143.2
3	Alaska	3,224.67	134.2
4	New Jersey	3,216.30	133.9
5	Hawaii	3,185.40	132.6
6	Massachusetts	2,834.95	118.0
7	Minnesota	2,732.91	113.7
8	Wisconsin	2,698.77	112.3
9	Maryland	2,657.03	110.6
10	Washington	2,596.39	108.1
11	Michigan	2,552.13	106.2
12	Wyoming	2,513.36	104.6
13	Rhode Island	2,498.12	104.0
14	Delaware	2,494.18	103.8
15	Vermont	2,482.27	103.3
16	Illinois	2,474.50	103.0
17	CALIFORNIA	2,404.35	100.1
	UNITED STATES	2,402.72	100.0
18	Nevada	2,354.11	98.0
19	Maine	2,350.70	97.8
20	Pennsylvania	2,342.03	97.5
21	Kansas	2,310.23	96.2
22	Iowa	2,296.55	95.6
23	Nebraska	2,290.12	95.3
24	Oregon	2,265.92	94.3
25	Colorado	2,244.88	93.4
26	Ohio	2,204.36	91.7
27	New Hampshire	2,189.56	91.1
28	Florida	2,185.86	91.0
29	Arizona	2,177.43	90.6
30	Virginia	2,161.51	90.0
31	Indiana	2,119.10	88.2
32	Georgia	2,115.26	88.0
33	North Carolina	2,110.22	87.8
34	New Mexico	2,102.20	87.5
35	North Dakota	2,030.03	84.5
36	Texas	2,026.77	84.4
37	Idaho	1,958.97	81.5
38	Montana	1,951.80	81.2
39	Kentucky	1,929.94	80.3
40	Utah	1,919.70	79.9
41	Missouri	1,852.12	77.1
42	Oklahoma	1,846.22	76.8
43	West Virginia	1,839.39	76.6
44	South Dakota	1,818.90	75.7
45	South Carolina	1,800.68	74.9
46	Tennessee	1,759.05	73.2
47	Louisiana	1,720.12	71.6
48	Arkansas	1,678.90	69.9
49	Mississippi	1,653.25	68.8
50	Alabama	1,601.17	66.6

Source: U.S. Department of Commerce, Bureau of the Census

Table 53

**Property Tax Revenue of
State and Local Government
Per \$1,000 of Personal Income
Fiscal Year 1977-78**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	75.52	172.7
2	Massachusetts	71.82	164.2
3	Montana	66.21	151.4
4	Wyoming	64.26	146.9
5	CALIFORNIA	63.57	145.3
6	New York	61.92	141.6
7	New Hampshire	61.81	141.3
8	Vermont	61.15	139.8
9	New Jersey	59.64	136.4
10	South Dakota	54.18	123.9
11	Connecticut	53.94	123.3
12	Arizona	53.65	122.7
13	Rhode Island	53.27	121.8
14	Oregon	53.19	121.6
15	Nebraska	52.16	119.2
16	Maine	50.80	116.1
17	Wisconsin	47.59	108.8
18	Kansas	47.32	108.2
19	Michigan	45.99	105.1
20	Colorado	44.88	102.6
21	Iowa	44.37	101.4
	UNITED STATES	43.74	100.0
22	Minnesota	42.55	97.3
23	Illinois	41.88	95.8
24	Nevada	41.09	93.9
25	Washington	39.26	89.8
26	North Dakota	38.67	88.4
27	Texas	37.68	86.2
28	Maryland	37.15	84.9
29	Idaho	36.77	84.1
30	Utah	35.77	81.8
31	Indiana	35.65	81.5
32	Ohio	34.99	80.0
33	Florida	34.71	79.4
34	Georgia	32.45	74.2
x	District of Columbia	31.85	73.8
35	Virginia	30.99	70.8
36	Missouri	29.68	67.9
37	Tennessee	25.72	58.8
38	Mississippi	25.60	58.5
39	North Carolina	25.52	58.3
40	South Carolina	25.10	57.4
41	Hawaii	22.95	52.5
42	Arkansas	21.68	49.6
43	Pennsylvania	21.66	49.5
44	Oklahoma	21.63	49.4
45	New Mexico	21.39	48.9
46	Kentucky	20.51	46.9
47	West Virginia	20.09	45.9
48	Delaware	18.99	43.4
49	Louisiana	16.69	38.2
50	Alabama	12.42	28.4

Source: U.S. Department of Commerce,
Bureau of the Census

Table 54

**Property Tax Revenue of
State and Local Government
Per \$1,000 of Personal Income
Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
1	New Hampshire	65.74	178.7
2	New Jersey	55.66	151.3
3	Vermont	54.50	148.2
4	Michigan	51.17	139.1
5	Wisconsin	51.14	139.0
6	Maine	50.35	136.9
7	New York	50.22	136.5
8	Rhode Island	49.45	134.4
9	Montana	48.85	132.8
10	Wyoming	48.22	131.1
11	Connecticut	47.80	129.9
12	Alaska	46.79	127.2
x	District of Columbia	46.04	125.2
13	Iowa	43.38	117.9
14	Nebraska	43.13	117.3
15	Oregon	42.72	116.2
16	Illinois	42.51	115.6
17	South Dakota	40.67	110.6
18	Massachusetts	40.43	109.9
19	Texas	40.24	109.4
20	Indiana	38.86	105.6
21	Florida	38.83	105.6
22	Minnesota	38.43	104.5
23	Arizona	38.23	103.9
24	Kansas	36.83	100.1
	UNITED STATES	36.78	100.0
25	Washington	36.44	99.1
26	Colorado	34.64	94.2
27	North Dakota	34.33	93.3
28	Georgia	33.16	90.2
29	Ohio	32.05	87.1
30	Pennsylvania	31.59	85.9
31	Virginia	31.39	85.3
32	Utah	31.25	85.0
33	South Carolina	30.82	83.8
34	Maryland	30.47	82.8
35	CALIFORNIA	30.24	82.2
36	Idaho	30.12	81.9
37	Mississippi	26.71	72.6
38	North Carolina	25.20	68.5
39	Nevada	23.69	64.4
40	Hawaii	22.81	62.0
41	Missouri	22.51	61.2
42	West Virginia	22.29	60.6
43	Tennessee	22.07	60.0
44	Kentucky	18.98	51.6
45	Louisiana	18.07	49.1
46	Oklahoma	17.89	48.6
47	Delaware	17.23	46.8
48	New Mexico	16.49	44.8
49	Arkansas	16.06	43.7
50	Alabama	11.53	31.3

Source: U.S. Department of Commerce,
Bureau of the Census

Table 55

**Individual Income Tax Revenue
of State Government
Per \$1,000 of Personal Income
Fiscal Year 1994-95**

Rank	State	Amount	Percent of U.S. Average
1	Oregon	\$41.22	200.1
2	Massachusetts	35.10	170.4
3	New York	35.04	170.1
4	Wisconsin	34.49	167.4
5	Minnesota	33.16	161.0
6	Hawaii	31.72	154.0
7	North Carolina	30.95	150.2
8	Delaware	29.84	144.9
9	Utah	28.78	139.7
10	Idaho	27.27	132.4
11	Iowa	27.21	132.1
12	Virginia	27.20	132.0
13	Kentucky	27.00	131.1
14	Indiana	26.19	127.1
15	Maine	25.66	124.6
16	Maryland	25.61	124.3
17	Georgia	24.54	119.1
18	CALIFORNIA	24.12	117.1
19	Michigan	23.97	116.3
20	Connecticut	23.78	115.4
21	South Carolina	23.73	115.2
22	Colorado	23.41	113.7
23	Arkansas	23.29	113.1
24	Oklahoma	23.27	112.9
25	Montana	23.18	112.5
26	Rhode Island	22.47	109.1
27	Ohio	22.12	107.4
28	Kansas	22.01	106.8
29	West Virginia	21.96	106.6
30	Missouri	21.82	106.0
31	Nebraska	21.07	102.3
	UNITED STATES	20.60	100.0
32	Vermont	20.16	97.9
33	New Mexico	19.28	93.6
34	New Jersey	19.14	92.9
35	Alabama	18.17	88.2
36	Illinois	17.80	86.4
37	Pennsylvania	17.33	84.2
38	Arizona	17.16	83.3
39	Mississippi	15.18	73.7
40	Louisiana	12.88	62.5
41	North Dakota	11.97	58.1
42	New Hampshire	1.29	6.2
43	Tennessee	0.92	4.5
--	Alaska	--	--
--	Florida	--	--
--	Nevada	--	--
--	South Dakota	--	--
--	Texas	--	--
--	Washington	--	--
--	Wyoming	--	--

Source: U.S. Department of Commerce,
Bureau of the Census

Table 56

**General Sales Tax
of State Government
Per \$1,000 of Personal Income
Fiscal Year 1994-95**

Rank	State	Amount	Percent of U.S. Average
1	Washington	\$46.84	216.0
2	Hawaii	46.71	215.4
3	New Mexico	39.72	183.1
4	Nevada	38.53	177.7
5	Mississippi	37.59	173.4
6	Florida	32.62	150.4
7	Arizona	32.07	147.9
8	Tennessee	30.39	140.1
9	Utah	29.98	138.2
10	Arkansas	28.96	133.5
11	Idaho	26.18	120.7
12	Maine	26.05	120.1
13	Texas	25.88	119.3
14	South Carolina	25.71	118.6
15	Michigan	25.69	118.5
16	South Dakota	25.15	116.0
17	Minnesota	24.81	114.4
17	Kansas	24.61	113.5
19	Iowa	24.61	113.5
20	West Virginia	24.54	113.2
21	North Dakota	23.72	109.4
22	CALIFORNIA	23.26	107.3
23	Kentucky	23.10	106.5
24	Connecticut	22.76	104.9
25	Georgia	22.60	104.2
26	Wisconsin	22.55	104.0
27	Nebraska	22.22	102.4
28	Indiana	21.79	100.5
	UNITED STATES	21.69	100.0
29	Wyoming	20.95	96.6
30	Missouri	20.22	93.2
31	Pennsylvania	19.52	90.0
32	Rhode Island	19.35	89.2
33	Ohio	18.93	87.3
34	Oklahoma	18.78	86.6
35	North Carolina	18.40	84.9
36	Louisiana	18.08	83.4
37	New Jersey	17.43	80.4
38	Alabama	16.73	77.2
39	Illinois	16.62	76.6
40	Maryland	14.69	67.8
41	Massachusetts	14.58	67.2
42	Vermont	13.99	64.5
43	Colorado	13.71	63.2
44	New York	13.64	62.9
45	Virginia	12.10	55.8
--	Alaska	--	--
--	Delaware	--	--
--	Montana	--	--
--	New Hampshire	--	--
--	Oregon	--	--

Source: U.S. Department of Commerce,
Bureau of the Census

Table 57

**State and Local
General Sales Tax
Per \$1,000 of Personal Income
Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
1	Washington	57.80	207.8
2	New Mexico	53.31	191.7
3	Hawaii	48.64	174.9
4	Arizona	43.01	154.7
5	Tennessee	42.75	153.7
6	Louisiana	41.28	148.4
7	Mississippi	40.86	146.9
8	Utah	39.64	142.5
9	Nevada	37.79	135.9
10	Arkansas	37.41	134.5
11	Florida	36.51	131.3
12	Texas	34.98	125.8
13	South Dakota	34.35	123.5
14	Georgia	32.94	118.5
15	Oklahoma	31.80	114.4
16	Kansas	30.97	111.4
17	CALIFORNIA	30.41	109.4
18	Colorado	29.60	106.4
19	Missouri	29.42	105.8
20	Alabama	29.23	105.1
21	Wyoming	28.65	103.0
22	Idaho	28.00	100.7
23	South Carolina	27.99	100.6
24	Iowa	27.94	100.5
25	North Carolina	27.88	100.3
	UNITED STATES	27.81	100.0
26	Nebraska	27.36	98.4
27	New York	26.79	96.4
28	Minnesota	26.64	95.8
29	Maine	26.51	95.3
x	District of Columbia	26.03	93.6
30	North Dakota	25.71	92.5
31	Wisconsin	25.58	92.0
32	West Virginia	24.74	89.0
33	Kentucky	24.29	87.3
34	Ohio	23.95	86.1
35	Connecticut	23.84	85.7
36	Michigan	23.31	83.8
37	Indiana	22.89	82.3
38	Illinois	21.72	78.1
39	Pennsylvania	20.39	73.3
40	Rhode Island	19.47	70.0
41	New Jersey	17.94	64.5
42	Virginia	16.77	60.3
43	Vermont	15.72	56.5
44	Massachusetts	15.65	56.3
45	Maryland	15.28	55.0
46	Alaska	7.05	25.3
--	Delaware	--	--
--	Montana	--	--
--	New Hampshire	--	--
--	Oregon	--	--

Source: U.S. Department of Commerce,
Bureau of the Census

Table 58

**State and Local
General Sales Tax
Per Capita
Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
1	Washington	1,237.75	216.2
2	Hawaii	1,129.98	197.4
3	New Mexico	850.94	148.6
4	Nevada	819.39	143.1
5	Tennessee	775.66	135.5
x	District of Columbia	755.44	132.0
6	Arizona	752.67	131.5
7	Florida	741.30	129.5
8	Louisiana	681.61	119.1
9	Connecticut	666.91	116.5
10	New York	664.72	116.1
11	CALIFORNIA	660.81	115.4
12	Texas	656.63	114.7
13	Utah	623.43	108.9
14	Georgia	620.25	108.3
15	Colorado	620.05	108.3
16	South Dakota	612.62	107.0
17	Kansas	609.85	106.5
18	Mississippi	594.99	103.9
19	Arkansas	591.37	103.3
	UNITED STATES	572.48	100.0
20	Missouri	566.59	99.0
21	Wyoming	558.28	97.5
22	Minnesota	553.79	96.7
23	Oklahoma	537.35	93.9
24	Nebraska	535.22	93.5
25	North Carolina	511.85	89.4
26	Iowa	509.34	89.0
27	Wisconsin	502.71	87.8
28	Maine	497.59	86.9
29	Alabama	496.19	86.7
30	Illinois	487.06	85.1
31	New Jersey	478.04	83.5
32	Michigan	477.90	83.5
33	Idaho	476.40	83.2
34	Ohio	469.71	82.0
35	South Carolina	467.76	81.7
36	North Dakota	438.13	76.5
37	Indiana	435.65	76.1
38	Pennsylvania	432.96	75.6
39	Rhode Island	414.06	72.3
40	Kentucky	407.65	71.2
41	West Virginia	399.12	69.7
42	Massachusetts	381.25	66.6
43	Maryland	362.55	63.3
44	Virginia	357.89	62.5
45	Vermont	303.41	53.0
46	Alaska	160.33	28.0
--	Delaware	--	--
--	Montana	--	--
--	New Hampshire	--	--
--	Oregon	--	--

Source: U.S. Department of Commerce,
Bureau of the Census

Table 59

**Total State Taxes Per Capita
Fiscal Year 1994-95**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	\$3,182.89	209.1
2	Hawaii	2,421.65	159.1
3	Connecticut	2,282.17	149.9
4	Delaware	2,224.29	146.1
5	Minnesota	2,023.40	132.9
6	Massachusetts	1,909.97	125.5
7	New York	1,890.96	124.2
8	Washington	1,877.29	123.3
9	Michigan	1,856.06	121.9
10	Nevada	1,763.62	115.9
11	Wisconsin	1,762.54	115.8
12	New Jersey	1,712.64	112.5
13	New Mexico	1,688.12	110.9
14	CALIFORNIA	1,686.32	110.8
15	Kentucky	1,628.14	107.0
16	Maryland	1,598.77	105.0
17	North Carolina	1,588.01	104.3
18	Iowa	1,549.41	101.8
	UNITED STATES	1,522.30	100.0
19	Pennsylvania	1,512.77	99.4
20	Rhode Island	1,505.39	98.9
21	North Dakota	1,495.67	98.3
22	West Virginia	1,494.48	98.2
23	Idaho	1,490.21	97.9
24	Arizona	1,475.46	96.9
25	Kansas	1,468.03	96.4
26	Maine	1,460.58	95.9
27	Illinois	1,402.35	92.1
28	Montana	1,395.58	91.7
29	Wyoming	1,389.01	91.2
30	Indiana	1,386.48	91.1
31	Utah	1,371.35	90.1
32	Vermont	1,369.87	90.0
33	Arkansas	1,365.45	89.7
34	Oregon	1,364.55	89.6
35	Ohio	1,361.87	89.5
36	Nebraska	1,355.97	89.1
37	Oklahoma	1,347.30	88.5
38	Mississippi	1,334.54	87.7
39	Virginia	1,327.28	87.2
40	Georgia	1,317.41	86.5
41	Florida	1,310.51	86.1
42	South Carolina	1,296.79	85.2
43	Missouri	1,268.21	83.3
44	Colorado	1,209.33	79.4
45	Alabama	1,193.94	78.4
46	Tennessee	1,124.00	73.8
47	Texas	1,083.57	71.2
48	Louisiana	1,077.15	70.8
49	South Dakota	952.04	62.5
50	New Hampshire	800.05	52.6

Source: U.S. Department of Commerce,
Bureau of the Census

Table 60

**Total State Expenditures
Per Capita, Fiscal Year 1994-95**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	\$9,269.92	290.4
2	Hawaii	5,067.18	158.8
3	New York	4,486.77	140.6
4	Rhode Island	4,308.22	135.0
5	Wyoming	4,260.88	133.5
6	Delaware	4,156.47	130.2
7	Connecticut	4,145.28	129.9
8	New Jersey	4,103.90	128.6
9	Massachusetts	3,997.76	125.3
10	Washington	3,903.57	122.3
11	New Mexico	3,776.34	118.3
12	Michigan	3,630.61	113.7
13	Minnesota	3,553.10	111.3
14	Oregon	3,511.61	110.0
15	CALIFORNIA	3,457.89	108.3
16	North Dakota	3,451.89	108.1
17	Vermont	3,441.99	107.8
18	Montana	3,434.26	107.6
19	West Virginia	3,425.48	107.3
20	Maine	3,367.57	105.5
21	Louisiana	3,330.55	104.3
22	Pennsylvania	3,263.29	102.2
	UNITED STATES	3,191.81	100.0
23	Wisconsin	3,182.09	99.7
24	South Carolina	3,164.47	99.1
25	Ohio	3,137.86	98.3
26	Iowa	3,021.10	94.7
27	Nevada	2,994.30	93.8
28	Maryland	2,988.77	93.6
29	Utah	2,962.70	92.8
30	Kentucky	2,952.09	92.5
31	Idaho	2,889.35	90.5
32	North Carolina	2,840.39	89.0
33	Illinois	2,788.78	87.4
34	Kansas	2,774.44	86.9
35	Mississippi	2,748.95	86.1
36	Oklahoma	2,742.46	85.9
37	Alabama	2,713.82	85.0
38	New Hampshire	2,696.75	84.5
39	Arkansas	2,663.49	83.4
40	Georgia	2,659.98	83.3
41	Arizona	2,646.39	82.9
42	Indiana	2,633.82	82.5
43	Colorado	2,615.92	82.0
44	Nebraska	2,596.44	81.3
45	South Dakota	2,578.43	80.8
46	Virginia	2,574.85	80.7
47	Tennessee	2,555.63	80.1
48	Florida	2,453.02	76.9
49	Texas	2,384.28	74.7
50	Missouri	2,344.49	73.5

Source: U.S. Department of Commerce,
Bureau of the Census

Table 61

**State and Local
Expenditures Per Capita
Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	11,617.32	239.2
x	District of Columbia	9,970.77	205.3
2	New York	7,462.78	153.7
3	Hawaii	6,327.64	130.3
4	Wyoming	5,959.55	122.7
5	Washington	5,815.81	119.8
6	Connecticut	5,778.94	119.0
7	Massachusetts	5,579.09	114.9
8	New Jersey	5,557.72	114.4
9	CALIFORNIA	5,531.99	113.9
10	Minnesota	5,452.79	112.3
11	Rhode Island	5,304.02	109.2
12	Nebraska	5,045.76	103.9
13	Nevada	5,013.76	103.2
14	Delaware	4,972.53	102.4
15	Oregon	4,901.64	100.9
	UNITED STATES	4,856.28	100.0
16	Colorado	4,847.27	99.8
17	Wisconsin	4,817.46	99.2
18	Michigan	4,718.77	97.2
19	Vermont	4,654.01	95.8
20	Pennsylvania	4,605.07	94.8
21	New Mexico	4,581.03	94.3
22	Ohio	4,550.37	93.7
23	Maryland	4,531.96	93.3
24	South Carolina	4,469.05	92.0
25	North Dakota	4,459.53	91.8
26	Illinois	4,454.15	91.7
27	Utah	4,433.41	91.3
28	Maine	4,430.95	91.2
29	Louisiana	4,380.49	90.2
30	West Virginia	4,378.27	90.2
31	Arizona	4,374.24	90.1
32	Montana	4,356.01	89.7
33	Iowa	4,347.22	89.5
34	Tennessee	4,324.01	89.0
35	Kansas	4,318.56	88.9
36	New Hampshire	4,293.95	88.4
37	Georgia	4,242.01	87.4
38	Florida	4,230.32	87.1
39	North Carolina	4,130.56	85.1
40	Alabama	4,081.13	84.0
41	Indiana	4,056.65	83.5
42	Texas	4,021.48	82.8
43	South Dakota	3,998.83	82.3
44	Virginia	3,994.00	82.2
45	Oklahoma	3,806.41	78.4
46	Kentucky	3,781.70	77.9
47	Idaho	3,713.26	76.5
48	Mississippi	3,609.48	74.3
49	Missouri	3,443.32	70.9
50	Arkansas	3,368.41	69.4

Source: U.S. Department of Commerce,
Bureau of the Census

Table 62

**State and Local Direct
Expenditures Per Capita
Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	11,440.54	236.3
x	District of Columbia	9,970.77	205.9
2	New York	7,426.66	153.4
3	Hawaii	6,317.85	130.5
4	Wyoming	5,956.58	123.0
5	Washington	5,810.03	120.0
6	Connecticut	5,778.94	119.3
7	Massachusetts	5,550.85	114.6
8	New Jersey	5,550.68	114.6
9	CALIFORNIA	5,464.28	112.8
10	Minnesota	5,452.79	112.6
11	Rhode Island	5,286.92	109.2
12	Nebraska	5,041.28	104.1
13	Nevada	5,010.15	103.5
14	Delaware	4,971.38	102.7
15	Oregon	4,901.64	101.2
16	Colorado	4,844.66	100.0
	UNITED STATES	4,842.27	100.0
17	Wisconsin	4,792.15	99.0
18	Michigan	4,712.26	97.3
19	Vermont	4,635.37	95.7
20	Pennsylvania	4,594.32	94.9
21	New Mexico	4,581.03	94.6
22	Ohio	4,550.18	94.0
23	Maryland	4,531.95	93.6
24	South Carolina	4,469.05	92.3
25	North Dakota	4,459.53	92.1
26	Illinois	4,453.96	92.0
27	Utah	4,433.06	91.5
28	Maine	4,424.93	91.4
29	Louisiana	4,380.49	90.5
30	West Virginia	4,378.27	90.4
31	Arizona	4,374.24	90.3
32	Montana	4,356.01	90.0
33	Iowa	4,336.67	89.6
34	Tennessee	4,324.01	89.3
35	Kansas	4,318.48	89.2
36	New Hampshire	4,293.95	88.7
37	Georgia	4,242.01	87.6
38	Florida	4,230.18	87.4
39	North Carolina	4,130.56	85.3
40	Alabama	4,081.13	84.3
41	Indiana	4,054.18	83.7
42	Texas	4,020.90	83.0
43	South Dakota	3,998.81	82.6
44	Virginia	3,993.58	82.5
45	Oklahoma	3,794.00	78.4
46	Kentucky	3,781.70	78.1
47	Idaho	3,712.53	76.7
48	Mississippi	3,609.48	74.5
49	Missouri	3,443.32	71.1
50	Arkansas	3,367.71	69.5

Source: U.S. Department of Commerce,
Bureau of the Census

Table 63

**State and Local Direct General
Expenditures for Education
Per \$1,000 of Personal Income
Fiscal Year 1993-94**

Rank	State	Amount	Percent of U.S. Average
1	Alaska	106.71	161.9
2	Wyoming	100.64	152.7
3	Utah	98.24	149.0
4	North Dakota	91.95	139.5
5	New Mexico	87.74	133.1
6	Montana	87.56	132.8
7	Vermont	84.80	128.6
8	West Virginia	83.12	126.1
9	Wisconsin	82.43	125.0
10	Iowa	82.32	124.9
11	Nebraska	79.95	121.3
12	Delaware	79.91	121.2
13	Oregon	78.88	119.7
14	Mississippi	78.47	119.1
15	Minnesota	78.37	118.9
16	Michigan	77.15	117.0
17	Oklahoma	76.29	115.7
18	Washington	76.13	115.5
19	Kansas	75.60	114.7
20	South Carolina	75.47	114.5
21	Indiana	74.35	112.8
22	Arizona	74.08	112.4
23	Idaho	73.38	111.3
24	South Dakota	72.83	110.5
25	Louisiana	71.53	108.5
26	Arkansas	71.21	108.0
27	Texas	71.01	107.7
28	Maine	70.62	107.1
29	New York	70.27	106.6
30	North Carolina	69.58	105.6
31	Kentucky	68.68	104.2
32	Alabama	67.81	102.9
33	Ohio	67.02	101.7
34	Rhode Island	66.99	101.6
35	Georgia	66.89	101.5
	UNITED STATES	65.92	100.0
36	Colorado	65.52	99.4
37	New Jersey	64.21	97.4
38	Virginia	63.02	95.6
39	Pennsylvania	61.68	93.6
40	Maryland	59.48	90.2
41	Tennessee	59.22	89.8
42	Missouri	57.37	87.0
43	CALIFORNIA	56.85	86.2
44	New Hampshire	56.71	86.0
45	Illinois	54.93	83.3
46	Hawaii	54.64	82.9
47	Nevada	54.23	82.3
48	Connecticut	53.52	81.2
49	Florida	52.89	80.2
50	Massachusetts	50.13	76.0
x	District of Columbia	42.08	63.8

Source: U.S. Department of Commerce,
Bureau of the Census

Table 64

**Per Capita Distribution of Federal Funds
Fiscal Year 1994-95**

State	Total	Rank a/				
		Grants to State and Local Government	Wages and Salaries	Direct Payments for Individuals	Procure- ment	Other
Virginia	1	50	3	27	1	13
Maryland	2	43	4	20	3	3
New Mexico	3	10	5	33	2	16
Alaska	4	1	1	50	5	31
Hawaii	5	15	2	31	20	32
Missouri	6	33	22	9	4	9
Massachusetts	7	8	34	7	7	7
North Dakota	8	6	6	34	36	1
Rhode Island	9	4	19	4	29	25
Montana	10	11	14	24	33	2
West Virginia	11	7	40	2	34	45
Washington	12	27	8	28	9	17
Alabama	13	28	15	6	18	30
Florida	14	46	32	1	23	50
Connecticut	15	16	41	17	8	21
Pennsylvania	16	21	33	3	31	26
Mississippi	17	14	27	10	17	38
South Dakota	18	9	13	30	35	5
Maine	19	13	25	12	21	40
Wyoming	20	2	11	44	39	20
Colorado	21	45	7	48	6	14
Kentucky	22	17	21	15	19	33
Louisiana	23	5	35	21	27	11
New York	24	3	45	8	40	35
Arizona	25	36	24	14	14	42
Tennessee	26	20	31	18	13	46
Oklahoma	27	38	10	11	37	22
Kansas	28	47	17	19	28	8
South Carolina	29	25	20	35	15	48
CALIFORNIA	30	22	26	41	12	27
Arkansas	31	23	43	5	50	12
New Jersey	32	24	39	13	26	49
Nebraska	33	19	23	36	41	6
Idaho	34	39	30	45	10	18
Georgia	35	35	9	43	24	44
Delaware	36	32	16	25	46	24
Vermont	37	12	36	40	30	37
Iowa	38	41	48	23	43	4
Ohio	39	26	42	16	32	47
Nevada	40	49	29	32	22	39
Texas	41	42	28	46	16	29
Utah	42	44	12	49	11	19
Oregon	43	18	38	22	49	23
North Carolina	44	34	18	39	44	41
Illinois	45	29	37	29	45	36
New Hampshire	46	37	44	42	25	34
Michigan	47	31	49	26	48	43
Minnesota	48	30	46	47	38	10
Indiana	49	48	47	38	42	15
Wisconsin	50	40	50	37	47	28

a/ States are ranked from largest per capita amount (1), to smallest (50).

Source: U.S. Department of Commerce, Bureau of the Census
Federal Expenditures by State for Fiscal Year 1995

Table 65

Selected State and Local Government Debt Measures, 1993-94

State Government										
State	Long Term Debt									
	Full Faith and Credit					Interest on General Debt				
	Per Capita		Per \$1,000 of Personal Income			Per Capita		Per \$1,000 of Personal Income		Percent of Direct
	Rank	Amount	Rank	Amount		Rank	Amount	Rank	Amount	General Expenditures
										Percent
UNITED STATES		432.03		19.60		91.30		4.15		5.14
Alabama	25	294.65	25	16.14	37	59.41	30	3.25	38	3.31
Alaska	20	569.16	20	24.41	1	544.93	1	23.37	6	8.24
Arizona	33	89.63	33	4.62	44	45.55	45	2.35	40	3.12
Arkansas	34	67.87	34	3.95	43	47.18	40	2.75	43	2.83
CALIFORNIA	22	496.21	22	21.78	26	76.39	29	3.35	22	5.08
Colorado	42	0.69	42	0.03	30	68.00	35	2.99	23	4.88
Connecticut	5	2,813.59	7	93.61	7	231.07	11	7.69	5	8.45
Delaware	17	828.13	18	33.26	3	316.46	4	12.71	2	11.35
District of Columbia	--	--	--	--	--	--	--	--	--	--
Florida	8	1,859.91	11	58.68	34	61.92	37	2.84	27	4.37
Georgia	26	269.93	27	12.38	40	53.24	42	2.58	37	3.36
Hawaii	23	407.16	24	19.75	6	234.56	5	9.77	17	5.40
Idaho	--	--	--	--	25	80.32	22	4.43	21	5.08
Illinois	2	5,569.12	2	306.91	16	110.83	21	4.62	11	6.99
Indiana	--	--	--	--	41	52.80	43	2.58	41	3.12
Iowa	--	--	--	--	45	45.30	46	2.25	46	2.52
Kansas	--	--	--	--	50	23.50	50	1.13	50	1.51
Kentucky	41	5.98	41	0.29	19	96.59	16	5.39	20	5.30
Louisiana	16	858.79	13	47.90	13	148.40	8	8.20	10	7.16
Maine	31	122.66	31	6.78	12	148.62	10	7.77	12	6.80
Maryland	7	2,023.23	5	105.84	20	95.79	25	3.79	19	5.33
Massachusetts	6	2,363.53	8	93.43	5	238.59	6	9.06	4	9.02
Michigan	28	218.57	29	8.30	33	65.27	36	2.89	35	3.65
Minnesota	30	187.83	28	8.32	38	58.62	44	2.55	39	3.12
Mississippi	29	189.26	30	8.25	46	44.95	38	2.83	42	2.92
Missouri	24	323.13	23	20.31	27	73.80	27	3.60	18	5.34
Montana	37	46.31	36	2.24	15	117.81	13	6.65	16	5.87
Nebraska	--	--	--	--	32	66.04	32	3.21	32	3.83
Nevada	19	596.35	19	29.01	35	60.68	41	2.59	28	4.16
New Hampshire	21	513.72	21	21.94	2	316.49	3	13.14	1	14.82
New Jersey	4	3,158.59	4	131.12	9	164.07	15	5.78	8	8.02
New Mexico	39	22.90	40	0.81	36	59.83	28	3.49	45	2.64
New York	1	6,219.97	1	363.04	8	179.90	12	6.86	7	8.14
North Carolina	35	56.50	37	2.15	48	34.13	48	1.71	48	2.18
North Dakota	--	--	--	--	22	90.45	19	4.97	31	3.94
Ohio	3	4,838.48	3	265.65	29	68.47	31	3.21	29	4.15
Oklahoma	38	31.98	38	1.50	42	49.98	39	2.80	36	3.37
Oregon	11	1,412.32	10	78.99	14	120.78	14	5.92	13	6.71
Pennsylvania	9	1,645.10	9	80.66	21	94.97	23	4.25	24	4.79
Rhode Island	32	109.95	32	4.91	4	296.84	2	13.36	3	11.00
South Carolina	14	932.56	16	41.98	39	54.29	34	3.03	44	2.70
South Dakota	--	--	--	--	11	158.47	7	8.34	9	7.94
Tennessee	12	1,057.77	12	55.66	47	35.78	47	1.79	47	2.26
Texas	13	932.85	14	46.69	49	28.96	49	1.44	49	2.03
Utah	40	21.46	39	1.06	31	66.91	24	3.88	34	3.77
Vermont	27	251.69	26	14.58	10	159.73	9	7.90	15	6.31
Virginia	15	860.47	15	42.54	28	72.62	33	3.17	26	4.57
Washington	18	810.52	17	35.33	23	84.85	26	3.73	30	4.01
West Virginia	36	52.40	35	2.30	24	83.94	20	4.96	33	3.82
Wisconsin	10	1,629.57	6	96.38	17	108.39	18	5.13	14	6.48
Wyoming	--	--	--	--	18	107.14	17	5.36	25	4.77

Table 65 continued on next page

Table 65 (Continued)

Selected State and Local Government Debt Measures, 1993-94

State	State Government		State and Local Government							
	Interest on General		Long Term Debt, Total				Long Term Debt, Full Faith and Credit			
	Debt (Cont.)		Per \$1,000 of				Per \$1,000 of			
	Percent of Total		Per Capita		Personal Income		Per Capita		Personal Income	
	Rank	Percent	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount
UNITED STATES		3.46		4,025.47		195.54		1,327.17		64.47
Alabama	35	2.53	42	2,672.60	37	157.44	25	1,021.75	22	60.19
Alaska	7	6.28	1	12,166.23	1	534.84	3	3,408.52	2	149.84
Arizona	42	1.95	14	4,657.88	8	266.15	19	1,436.20	13	82.06
Arkansas	41	2.05	49	2,019.39	45	127.75	43	481.36	39	30.45
CALIFORNIA	33	2.63	20	4,172.52	26	192.01	29	922.08	35	42.43
Colorado	24	3.25	11	4,901.26	13	233.99	23	1,037.92	27	49.55
Connecticut	5	6.75	9	5,399.84	23	193.01	2	3,770.62	3	134.78
Delaware	3	9.35	3	6,389.90	3	296.40	17	1,510.27	18	70.06
District of Columbia	--	--	x	7,310.14	x	251.92	x	5,992.32	x	206.50
Florida	28	2.88	18	4,333.04	17	213.41	40	550.00	43	27.09
Georgia	36	2.40	37	2,918.11	40	154.99	32	882.64	32	46.88
Hawaii	11	5.26	5	5,980.00	9	257.42	1	3,897.94	1	167.79
Idaho	22	3.43	50	1,869.38	50	109.86	46	449.70	44	26.43
Illinois	14	5.00	22	3,918.72	33	174.71	13	1,650.03	17	73.57
Indiana	39	2.12	46	2,214.21	48	116.35	49	326.67	50	17.17
Iowa	46	1.70	48	2,049.76	49	112.46	36	642.92	36	35.27
Kansas	50	0.99	35	3,091.19	39	156.97	30	910.95	33	46.26
Kentucky	19	3.87	12	4,895.56	5	291.66	48	340.80	48	20.30
Louisiana	8	5.43	21	3,930.98	11	238.06	18	1,457.04	12	88.24
Maine	9	5.34	26	3,611.18	24	192.42	21	1,238.59	20	66.00
Maryland	17	4.06	19	4,195.61	32	176.86	11	1,911.16	14	80.56
Massachusetts	4	7.06	7	5,709.09	12	234.38	5	2,603.25	7	106.87
Michigan	37	2.40	36	2,928.76	43	142.85	26	1,007.52	28	49.14
Minnesota	44	1.92	15	4,644.07	14	223.39	10	1,929.37	10	92.81
Mississippi	43	1.94	47	2,167.20	42	148.81	34	854.19	24	58.65
Missouri	20	3.70	43	2,386.32	46	123.90	39	554.61	41	28.80
Montana	16	4.21	30	3,439.48	19	201.42	38	562.26	38	32.93
Nebraska	31	2.76	23	3,792.56	22	193.84	37	569.06	40	29.09
Nevada	34	2.60	16	4,558.31	18	210.22	6	2,489.65	5	114.82
New Hampshire	1	12.86	6	5,885.26	7	268.23	16	1,512.25	19	68.92
New Jersey	10	5.31	13	4,818.18	29	180.81	14	1,597.95	23	59.97
New Mexico	45	1.78	38	2,826.66	31	177.08	41	546.02	37	34.21
New York	13	5.04	2	6,970.99	6	280.99	4	2,682.69	6	108.13
North Carolina	49	1.37	39	2,804.36	41	152.76	31	890.53	29	48.51
North Dakota	25	3.06	40	2,693.20	36	158.04	42	487.11	42	28.58
Ohio	29	2.83	45	2,363.43	47	120.53	33	860.75	34	43.90
Oklahoma	38	2.26	41	2,682.38	35	158.76	47	407.87	46	24.14
Oregon	15	4.77	28	3,535.30	27	185.03	7	2,295.47	4	120.14
Pennsylvania	21	3.51	17	4,535.50	16	213.59	15	1,596.74	15	75.19
Rhode Island	2	9.44	4	6,302.02	4	296.32	9	1,989.29	9	93.54
South Carolina	40	2.08	32	3,281.11	21	196.32	28	952.44	25	56.99
South Dakota	6	6.57	34	3,208.84	30	179.90	44	469.22	45	26.31
Tennessee	47	1.65	44	2,368.03	44	130.51	27	971.88	26	53.57
Texas	48	1.43	24	3,757.57	20	200.16	20	1,406.25	16	74.91
Utah	32	2.72	8	5,539.36	2	352.19	35	750.04	31	47.69
Vermont	12	5.23	27	3,553.57	28	184.14	22	1,217.95	21	63.11
Virginia	23	3.34	31	3,354.65	38	157.19	24	1,028.63	30	48.20
Washington	30	2.77	10	5,371.62	10	250.83	8	2,161.75	8	100.94
West Virginia	26	2.91	29	3,463.88	15	214.72	50	295.83	49	18.34
Wisconsin	18	3.98	33	3,263.27	34	166.07	12	1,792.95	11	91.25
Wyoming	27	2.91	25	3,744.86	25	192.19	45	463.85	47	23.81

Source: U.S. Department of Commerce, Bureau of the Census

Table 66

**Total Full-Time Equivalent a/
State Government Employees
Per 10,000 Population b/**

State	Percent of			Rank	
	October 1994	October 1995	U.S. average 1995	1994	1995
Hawaii	451	433	287.2	1	1
Alaska	360	363	240.7	2	2
Delaware	291	307	203.6	3	3
North Dakota	254	257	170.7	4	4
New Mexico	251	252	167.0	5	5
Wyoming	234	226	150.1	6	6
Vermont	217	216	143.3	7	7
Utah	215	215	142.8	8	8
Louisiana	212	214	141.9	9	9
South Carolina	210	213	141.1	10	10
Oklahoma	209	206	136.8	11	11
Rhode Island	189	203	134.9	18	12
Montana	196	202	134.3	15	13
South Dakota	197	195	129.1	14	14
Connecticut	193	193	127.8	16	15
West Virginia	185	191	127.0	20	16
Kentucky	190	190	126.3	17	17
Alabama	200	190	126.1	12	17
Iowa	178	190	126.1	26	17
Arkansas	199	189	125.5	13	20
Kansas	188	187	124.0	19	21
Mississippi	182	186	123.5	22	22
Nebraska	181	181	120.0	24	23
Idaho	185	179	119.0	20	24
Washington	180	176	116.7	25	25
Virginia	182	175	116.1	22	26
Maine	172	172	113.9	27	27
Oregon	165	166	110.2	28	28
Maryland	160	161	106.6	29	29
Tennessee	150	161	106.6	36	29
North Carolina	159	159	105.8	30	31
Minnesota	155	158	104.6	33	32
Georgia	157	157	103.8	31	33
Missouri	151	154	102.3	34	34
Colorado	147	153	101.6	38	35
Indiana	157	153	101.3	31	35
UNITED STATES	150	151	100.0		
Michigan	139	147	97.8	41	37
New Hampshire	151	147	97.4	34	37
Texas	142	143	95.0	39	39
New York	150	142	94.2	36	40
Arizona	140	138	91.5	40	41
New Jersey	137	136	90.0	42	42
Massachusetts	136	135	89.3	43	43
Nevada	127	130	86.1	45	44
Ohio	127	128	84.9	45	45
Wisconsin	135	126	83.7	44	46
Pennsylvania	124	126	83.5	47	46
Florida	122	121	80.6	48	48
Illinois	114	119	78.8	49	49
CALIFORNIA	104	107	71.1	50	50

a/ Full-time equivalent employment is a derived statistic that provides an

estimate of a government's total full-time employment by converting part-time employees to a full-time amount.

b/ Based on estimated resident population of July 1st of a given year.

Source: U.S. Department of Commerce, Bureau of the Census

Table 67

**Total Full-Time Equivalent a/
State and Local Government Employees
Per 10,000 Population b/**

State	Percent of			Rank	
	October 1993	October 1994	U.S. average 1994	1993	1994
District of Columbia	887	897	168.1	x	x
Wyoming	761	797	149.4	1	1
Alaska	734	794	148.8	2	2
Kansas	642	660	123.7	4	3
New Mexico	654	651	122.0	3	4
Nebraska	619	648	121.4	6	5
Montana	621	640	119.9	5	6
Mississippi	585	627	117.5	12	7
New York	618	622	116.5	7	8
Georgia	596	607	113.7	10	9
North Dakota	601	602	112.8	9	10
Texas	562	599	112.3	17	11
Oklahoma	587	597	112.0	11	12
Louisiana	583	597	111.9	13	12
Vermont	602	588	110.3	8	14
Idaho	559	581	108.8	19	15
Alabama	573	580	108.7	15	16
Iowa	580	579	108.5	14	17
South Dakota	559	578	108.3	20	18
Hawaii	567	573	107.3	16	19
South Carolina	558	571	107.1	20	20
Minnesota	538	570	106.9	25	21
Virginia	544	564	105.6	23	22
Arkansas	541	552	103.5	23	23
North Carolina	560	552	103.4	18	23
New Jersey	527	544	101.9	26	25
Maine	513	540	101.3	31	26
Delaware	544	540	101.3	22	26
UNITED STATES	521	534	100.0		
Utah	526	533	99.9	27	28
Colorado	524	531	99.5	28	29
Wisconsin	514	529	99.1	30	30
Kentucky	511	524	98.3	32	31
Arizona	521	524	98.2	29	31
Indiana	510	523	98.1	33	33
Connecticut	473	522	97.9	45	34
Oregon	510	519	97.4	34	35
West Virginia	498	510	95.6	37	36
Tennessee	508	508	95.2	34	37
Washington	510	508	95.2	34	37
Ohio	480	507	95.1	43	39
Missouri	488	500	93.7	40	40
Florida	485	499	93.6	41	41
Maryland	494	497	93.2	38	42
Massachusetts	470	491	92.1	47	43
Illinois	481	491	92.0	42	43
Michigan	489	486	91.2	39	45
New Hampshire	462	482	90.4	48	46
Rhode Island	475	481	90.2	44	47
Nevada	471	479	89.8	46	48
CALIFORNIA	458	461	86.4	49	49
Pennsylvania	426	428	80.2	50	50

a/ Full-time equivalent employment is a derived statistic that provides an estimate of a government's total full-time employment by converting part-time employees to a full-time amount.

b/ Based on estimated resident population of July 1st of a given year.

Source: U.S. Department of Commerce, Bureau of the Census